

<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L07I Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L07I.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		

## Filing at a Glance

Company: State Farm Life Insurance Company

Product Name: WLLP 11000

TOI: L07I Individual Life - Whole

Sub-TOI: L07I.101 Fixed/Indeterminate  
Premium - Single Life

Filing Type: Form

SERFF Tr Num: STFL-126931804 State: Arkansas

SERFF Status: Closed-Approved-  
Closed State Tr Num: 47498

Co Tr Num: SFL11000

State Status: Approved-Closed

Author: Steve Crum

Date Submitted: 12/09/2010

Reviewer(s): Linda Bird

Disposition Date: 01/03/2011

Disposition Status: Approved-  
Closed

Implementation Date Requested: 05/15/2011

Implementation Date:

State Filing Description:

## General Information

Project Name: WLLP 11000

Project Number: WLLP 11000

Requested Filing Mode:

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments: Our state of domicile, Illinois, will be eligible for Interstate Insurance Product Regulation Commission filings effective December 14, 2010. It is our plan to add Illinois on or after that date to the IIPRC filing for forms ICC10 11000, ICC10 11002, ICC10 11003, ICC10 11006, ICC10 11050, ICC10 1000704, and ICC10 231-1634.4, which is currently pending IIPRC approval under SERFF filing tracking number STFL- 126878038 and IIPRC tracking number IC10-00298. Also it is our intension that our state of domicile, Illinois, will be eligible for Interstate Insurance Product Regulation Commission filings effective December 14, 2010. It is our plan to add Illinois on or after

SERFF Tracking Number: STFL-126931804 State: Arkansas  
Filing Company: State Farm Life Insurance Company State Tracking Number: 47498  
Company Tracking Number: SFL11000  
TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life  
Product Name: WLLP 11000  
Project Name/Number: WLLP 11000/WLLP 11000

that date to the IIPRC filing for forms ICC10 11010, which is currently pending IIPRC approval under SERFF filing tracking number STFL-126889622 and IIPRC tracking number IC10-00304.

Explanation for Combination/Other:  
Submission Type:  
Overall Rate Impact:

Market Type: Individual  
Individual Market Type:  
Filing Status Changed: 01/03/2011  
State Status Changed: 01/03/2011  
Created By: Steve Crum  
Corresponding Filing Tracking Number:

Deemer Date:  
Submitted By: Steve Crum  
Filing Description:

NAIC#

69108

FEIN# 37-

0533090

Enclosed for your consideration are the following new individual life insurance policy forms:

Form #	Form Name	Replaces	
11000	Limited Payment Whole Life Insurance Policy	07000	
11002	Limited Payment Whole Life Insurance Policy	07002	
11003	Limited Payment Whole Life Insurance Policy	07003	
11006	Limited Payment Whole Life Insurance Policy	07006	
11010	Single Premium Whole Life Insurance Policy		07010
11050	Limited Payment Whole Life Insurance Policy (Unisex)		07050
1000704 AR.2	Application for Individual Life Insurance	1000704 AR.1	
231-1634.4	Amendment of Application	231-1634.3	

Form 11000 is a limited payment whole life insurance policy with premiums payable to the policy anniversary when the Insured is age 100. The issue ages are 0-85.

Form 11002 is a limited payment whole life insurance policy with premiums payable for 10 years with issue ages 0-85, 15 years with issue ages 0-80, or 20 years with issue ages 0-75. All three guarantee periods will use Form 11002 and the guarantee period will be distinguished on schedule pages 3 and 4 with revised form numbers 11002(L10), 11002(L15), and 11002(L20).

Form 11003 is a limited payment whole life insurance policy with premiums payable to the policy anniversary when the

SERFF Tracking Number: STFL-126931804 State: Arkansas  
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TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life  
Product Name: WLLP 11000  
Project Name/Number: WLLP 11000/WLLP 11000

Insured is age 85. The issue ages are 0-70. This policy is only used if the insured is totally disabled under an existing policy issued prior to 1986 with premiums currently being waived, and a whole life policy with premiums payable to age 85 is required to be issued in order for premiums to be waived. This policy is not marketed.

Form 11006 is a limited payment whole life insurance policy with premiums payable to the policy anniversary when the Insured is age 100. The issue ages are 50-80. The only amount currently available under this policy is \$10,000.

Form 11010 is a single premium whole life insurance policy. This form will be illustrated. Issue ages are 0-90. Guaranteed values and reserves for these forms will be based on the 2001 CSO Mortality Table. Enclosed is the actuarial memorandum for guaranteed values using the 2001 CSO Mortality Table.

Form 11050 is a limited payment whole life insurance policy with premiums payable to the policy anniversary when the Insured is age 100. The issue ages are 0-85. Form 11050 is the same as form 11000 except it is unisex rather than sex-distinct. Form 11050 will be issued only for business that is subject to the Supreme Court Norris Decision and includes changes to comply with the mandates of that decision. These provisions reflect that the word "sex" has been deleted from the Basis of Computation and the Error in Age provisions.

Forms 07000, 07002, 07003, 07006, 07010, and 07050, were approved by your Department on February 7, 2007.

The major changes to the policy forms include:

- New cash values
  - New premium
  - Adding new and changing existing rate class
  - Adding new bands
  - Moved the minimum Dividend Accumulation interest rate from the Dividend Provision to policy schedule page 3.
- Forms 11000, 11002, 11003, 11006, 11010 and 11050 will be illustrated. Guaranteed values and reserves for these forms will be based on the 2001 CSO Mortality Table. Enclosed for each form is the actuarial memorandum for guaranteed values using the 2001 CSO Mortality Table.

Form 1000704 AR.2 will be used with these forms with the exception of 11006, which will use Application for \$10,000 Individual Whole Life Insurance Policy form number 1000717 AR, which was approved by your Department on October 13, 2009 under SERFF tracking number STFL-126339540 and state tracking number 43756.

Form 1000704 AR.2, will replace application form 1000704 AR.1, which was approved by your Department on March 2, 2010 under SERFF tracking number STFL-126423717 and state tracking number 45046. This application will be used with our Limited Pay Whole Life product line with the exception of the Limited Payment Whole Life Insurance Policy form

*SERFF Tracking Number:* STFL-126931804 *State:* Arkansas  
*Filing Company:* State Farm Life Insurance Company *State Tracking Number:* 47498  
*Company Tracking Number:* SFL11000  
*TOI:* L071 Individual Life - Whole *Sub-TOI:* L071.101 Fixed/Indeterminate Premium - Single Life  
*Product Name:* WLLP 11000  
*Project Name/Number:* WLLP 11000/WLLP 11000  
11006.

Form 1000704 AR.2 was revised to include Basic Plans: 10 Pay Life and 20 Pay Life. A question allowing the customer to choose between the two tests allowed in order to comply with the IRS definition of life insurance has been added to the application. The two tests are the Cash Value Accumulation Test and the Guideline Premium Test. This question only applies to our Universal Life policy. No other changes were made to this form.

This application can be completed in paper or electronically in an agent's office which will allow an electronic signature by the customer. The application is not available on the Internet.

Form 231-1634.4 will replace Amendment of Application, 231-1634.3, which was approved by your Department on April 13, 1992.

Form 231-1634.4 is used to clarify or change information contained in the application. The variable information is added to the document and printed. Two copies are printed with one copy attached to the policy and the other returned to remain in the file. The addition of City/State in the signature area is the only change made to this form.

In order to comply with Act 312 regarding interest on policy proceeds and refund of premiums, we will be using Arkansas - Form 1. The letter, a sample of which is attached, will be addressed either to a claimant or to a State Farm Life agent. If the original is sent to an agent, (a) a copy will be sent to the beneficiary; and (b) the following statement will be included in the agent's letter: "A copy of this letter is being mailed to the beneficiary." The beneficiary will then be made aware of the requirements of Act 312. The wording for this letter was discussed in a telephone conversation with Mr. Joe Musgrove and Mr. John States of our company.

With the exception of form 11003, all forms contained in this filing will be marketed exclusively through State Farm agents.

The effective date for these new forms will be May 15, 2011.

## Company and Contact

SERFF Tracking Number: STFL-126931804 State: Arkansas

Filing Company: State Farm Life Insurance Company State Tracking Number: 47498

Company Tracking Number: SFL11000

TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: WLLP 11000

Project Name/Number: WLLP 11000/WLLP 11000

### Filing Contact Information

Steve Crum, Tech - Contracts & Compliance steve.crum.pgyl@statefarm.com  
 1 State Farm Plaza 309-763-9006 [Phone]  
 Bloomington, IL 61710-0001 309-766-8483 [FAX]

### Filing Company Information

State Farm Life Insurance Company CoCode: 69108 State of Domicile: Illinois  
 1 State Farm Plaza Group Code: Company Type:  
 Bloomington, IL 61710-0001 Group Name: State ID Number:  
 (309) 766-4541 ext. [Phone] FEIN Number: 37-0533090

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### Filing Fees

Fee Required? Yes  
 Fee Amount: \$400.00  
 Retaliatory? Yes  
 Fee Explanation: Voucher ID# 14975645  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Life Insurance Company	\$400.00	12/09/2010	42784999

SERFF Tracking Number:	STFL-126931804	State:	Arkansas
Filing Company:	State Farm Life Insurance Company	State Tracking Number:	47498
Company Tracking Number:	SFL11000		
TOI:	L071 Individual Life - Whole	Sub-TOI:	L071.101 Fixed/Indeterminate Premium - Single Life
Product Name:	WLLP 11000		
Project Name/Number:	WLLP 11000/WLLP 11000		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	01/03/2011	01/03/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	12/14/2010	12/14/2010	Michele Mathes	12/22/2010	12/22/2010

<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		

## Disposition

Disposition Date: 01/03/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: STFL-126931804 State: Arkansas

Filing Company: State Farm Life Insurance Company State Tracking Number: 47498

Company Tracking Number: SFL11000

TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: WLLP 11000

Project Name/Number: WLLP 11000/WLLP 11000

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Regulation 19		Yes
Supporting Document	Arkansas - Form 1		Yes
Supporting Document	Sample Specification Pages		Yes
Form ( <i>revised</i> )	Limited Payment Whole Life Insurance Policy		Yes
Form	Limited Payment Whole Life Insurance Policy	Replaced	Yes
Form ( <i>revised</i> )	Limited Payment Whole Life Insurance Policy		Yes
Form	Limited Payment Whole Life Insurance Policy	Replaced	Yes
Form ( <i>revised</i> )	Limited Payment Whole Life Insurance Policy		Yes
Form	Limited Payment Whole Life Insurance Policy	Replaced	Yes
Form ( <i>revised</i> )	Limited Payment Whole Life Insurance Policy		Yes
Form	Limited Payment Whole Life Insurance Policy	Replaced	Yes
Form	Single Premium Whole Life Insurance Policy		Yes
Form ( <i>revised</i> )	Limited Payment Whole Life Insurance Policy(UNISEX)		Yes
Form	Limited Payment Whole Life Insurance Policy(UNISEX)	Replaced	Yes
Form	Application for Individual Life Insurance		Yes
Form	Amendment of Application		Yes



*SERFF Tracking Number:* STFL-126931804 *State:* Arkansas  
*Filing Company:* State Farm Life Insurance Company *State Tracking Number:* 47498  
*Company Tracking Number:* SFL11000  
*TOI:* L071 Individual Life - Whole *Sub-TOI:* L071.101 Fixed/Indeterminate Premium - Single Life  
*Product Name:* WLLP 11000  
*Project Name/Number:* WLLP 11000/WLLP 11000

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 12/14/2010  
Submitted Date 12/14/2010  
Respond By Date 01/14/2011

Dear Steve Crum,

This will acknowledge receipt of the captioned filing.

### Objection 1

Comment: Please refer to policy General Provisions under the Limited Death Benefit provision. After the incontestable period expiration you may not restart upon reinstatement. Review Ark. Code Ann. 23-81-115(a)(2)(E).

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/22/2010
Submitted Date	12/22/2010

Dear Linda Bird,

### Comments:

Enclosed for your consideration is our response to the objection dated 12/14/2010 on the following life insurance policy forms:

Form # --	Form Name
11000 --	Limited Payment Whole Life Insurance Policy
11002 --	Limited Payment Whole Life Insurance Policy
11003 --	Limited Payment Whole Life Insurance Policy
11006 --	Limited Payment Whole Life Insurance Policy
11050 --	Limited Payment Whole Life Insurance Policy

### Response 1

Comments: For each of these forms, the Limited Death Benefit provision has been revised to remove the reference to reinstatement as exclusion for suicide or self-destruction.

As a result of this change, the policy form numbers have been revised as follows to reflect that policy language distinct to the state of Arkansas is present:

Form # --	Revised to:
11000 --	11000-04
11002 --	11002-04
11003 --	11003-04
11006 --	11006-04
11050 --	11050-04

### Related Objection 1

Comment:

Please refer to policy General Provisions under the Limited Death Benefit provision. After the incontestable period expiration you may not restart upon reinstatement. Review Ark. Code Ann. 23-81-115(a)(2)(E).

SERFF Tracking Number: STFL-126931804 State: Arkansas

Filing Company: State Farm Life Insurance Company State Tracking Number: 47498

Company Tracking Number: SFL11000

TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: WLLP 11000

Project Name/Number: WLLP 11000/WLLP 11000

### Changed Items:

No Supporting Documents changed.

### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Limited Payment Whole Life Insurance Policy	11000		Policy/Contract/Fraternal Certificate	Initial		60.000	11000 04 WL 20101220 Complete mm.pdf
<b>Previous Version</b>							
Limited Payment Whole Life Insurance Policy	11000		Policy/Contract/Fraternal Certificate	Initial		60.000	11000 WL CW 20101119 FINAL_complete.pdf
Limited Payment Whole Life Insurance Policy	11002		Policy/Contract/Fraternal Certificate	Initial		60.000	11002 04 WLLP 20101220 Complete mm.pdf
<b>Previous Version</b>							
Limited Payment Whole Life Insurance Policy	11002		Policy/Contract/Fraternal Certificate	Initial		60.000	11002 WLLP CW 20101119 FINAL_complete.pdf
Limited Payment Whole Life Insurance Policy	11003		Policy/Contract/Fraternal Certificate	Initial		60.000	11003 04 WL PU@85 Final

SERFF Tracking Number:	STFL-126931804	State:	Arkansas
Filing Company:	State Farm Life Insurance Company	State Tracking Number:	47498
Company Tracking Number:	SFL11000		
TOI:	L071 Individual Life - Whole	Sub-TOI:	L071.101 Fixed/Indeterminate Premium - Single Life
Product Name:	WLLP 11000		
Project Name/Number:	WLLP 11000/WLLP 11000		

20101220  
Complete  
mm.pdf

**Previous Version**

Limited Payment Whole 11003 Life Insurance Policy	Policy/Contract/Fraternal Initial Certificate	60.000	11003 WL PU @85 CW FINAL 20101129 _complete .pdf
Limited Payment Whole 11006 Life Insurance Policy	Policy/Contract/Fraternal Initial Certificate	60.000	11006 04 WL FE FINAL201 01220 Complete mm.pdf

**Previous Version**

Limited Payment Whole 11006 Life Insurance Policy	Policy/Contract/Fraternal Initial Certificate	60.000	11006 WL FE CW FINAL 20101129 _complete .pdf
Limited Payment Whole 11050 Life Insurance Policy(UNISEX)	Policy/Contract/Fraternal Initial Certificate	60.000	11050 04 WL Unisex FINAL 20101220 Complete MM.pdf

**Previous Version**

Limited Payment Whole 11050 Life Insurance Policy(UNISEX)	Policy/Contract/Fraternal Initial Certificate	60.000	11050 WL Unisex CW FINAL 20101124
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<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		

\_complete  
.pdf

No Rate/Rule Schedule items changed.

With this change we hope that you will be able to approve our filing.

Sincerely,  
Steve Crum

SERFF Tracking Number: STFL-126931804 State: Arkansas

Filing Company: State Farm Life Insurance Company State Tracking Number: 47498

Company Tracking Number: SFL11000

TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: WLLP 11000

Project Name/Number: WLLP 11000/WLLP 11000

## Form Schedule

### Lead Form Number: 11000

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	11000	Policy/Cont Limited Payment ract/Fratern Whole Life Insurance al Policy Certificate	Initial		60.000	11000 04 WL 20101220 Complete mm.pdf
	11002	Policy/Cont Limited Payment ract/Fratern Whole Life Insurance al Policy Certificate	Initial		60.000	11002 04 WLLP 20101220 Complete mm.pdf
	11003	Policy/Cont Limited Payment ract/Fratern Whole Life Insurance al Policy Certificate	Initial		60.000	11003 04 WL PU@85 Final 20101220 Complete mm.pdf
	11006	Policy/Cont Limited Payment ract/Fratern Whole Life Insurance al Policy Certificate	Initial		60.000	11006 04 WL FE FINAL201012 20 Complete mm.pdf
	11010	Policy/Cont Single Premium ract/Fratern Whole Life Insurance al Policy Certificate	Initial		61.000	11010 SPWL CW FINAL 20101122_co mplete.pdf
	11050	Policy/Cont Limited Payment ract/Fratern Whole Life Insurance al Policy(UNISEX) Certificate	Initial		60.000	11050 04 WL Unisex FINAL 20101220 Complete MM.pdf
	1000704 AR.2	Application/ Application for Enrollment Individual Life	Initial		50.000	1000704 AR.2 Life

<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		
	Form Insurance		
231-1634.4	Application/ Amendment of Enrollment Application Form	Initial	52.000
			App_11-15-2010 Bracketed.pdf NLP APP AMENDMENT - LIFE_231-1634.4_bracketed.pdf



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured [JOHN J DOE]  
[(Male)]

Age [35]

Policy Number [LF-0000-0000]

Policy Date [May 15, 2011]

Basic Plan Amount [\$25,000]

Total Initial Amount [\$25,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



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**The Application and any Riders and Endorsements follow page 12.**

# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$[25,000]]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$[25,000]]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11000	Basic Plan (Whole Life Paid-up at Age 100) Class of Risk: [Standard Male Non-tobacco]	[\$[25,000]]	With Life	[\$[436.75]]	To [2076]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$[436.75]]	[\$[223.62]]	[\$[113.12]]	[\$[38.00]]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[436.75] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

SCHEDULE OF INSURANCE AND VALUES

- Insurance Amount -		-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days	
\$[25,000	2011]					
[25,000	2012	1	.00	0	0	0]
[25,000	2013	2	.00	0	0	0]
[25,000	2014	3	215.00	925	5	153]
[25,000	2015	4	496.25	2,025	10	56]
[25,000	2016	5	787.00	3,100	13	299]
[25,000	2017	6	1,086.50	4,125	16	123]
[25,000	2018	7	1,394.75	5,125	18	88]
[25,000	2019	8	1,711.75	6,075	19	247]
[25,000	2020	9	2,036.75	6,975	20	267]
[25,000	2021	10	2,370.00	7,850	21	200]
[25,000	2022	11	2,711.50	8,700	22	74]
[25,000	2023	12	3,061.75	9,500	22	269]
[25,000	2024	13	3,422.25	10,275	23	59]
[25,000	2025	14	3,794.50	11,050	23	170]
[25,000	2026	15	4,178.50	11,775	23	245]
[25,000	2027	16	4,573.50	12,475	23	292]
[25,000	2028	17	4,978.50	13,150	23	314]
[25,000	2029	18	5,392.75	13,800	23	314]
[25,000	2030	19	5,815.25	14,425	23	294]
[25,000	2031	20	6,245.00	15,000	23	255]
[25,000	2032	21	6,656.50	15,225	23	175]
[25,000	2033	22	7,073.25	16,000	23	81]
[25,000	2034	23	7,497.25	16,475	22	340]
[25,000	2035	24	7,929.75	16,925	22	224]
[25,000	2036	25	8,396.50	17,350	22	99]
[25,000	2037	26	8,814.75	17,775	21	332]
[25,000	2038	27	9,262.75	18,175	21	194]
[25,000	2039	28	9,712.00	18,550	21	49]
[25,000	2040	29	10,161.75	18,900	20	265]
[25,000	2041	30	10,612.50	19,225	20	110]
[25,000	2042	31	11,065.25	19,550	19	314]
[25,000	2043	32	11,521.00	19,850	19	152]
[25,000	2044	33	11,981.00	20,150	18	347]
[25,000	2045	34	12,445.50	20,450	18	181]
[25,000	2046	35	12,914.50	20,700	18	4]
[25,000	2047	36	13,386.50	20,975	17	200]
[25,000	2048	37	13,857.25	21,225	17	20]
[25,000	2049	38	14,324.00	21,475	16	213]
[25,000	2050	39	14,788.25	21,700	16	33]
[25,000	2051	40	15,250.00	21,900	15	227]

Continued on Next Page

SCHEDULE OF INSURANCE AND VALUES

Continued from Page 4

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy Year	Value Dollars	Insurance Dollars	Term Ins	Yrs Days
[25,000	2036	Age 60	8,369.50	17,350	22	99]
[25,000	2038	Age 62	9,262.75	18,175	21	194]
[25,000	2041	Age 65	10,612.50	19,225	20	110]
[25,000	2046	Age 70	12,914.50	20,700	18	4]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.



## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[35]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2011]
Basic Plan Amount	[\$50,000]
Total Initial Amount	[\$50,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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**The Application and any Riders and Endorsements follow page 12.**



# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$100,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$100,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11002	Basic Plan (10 Pay Whole Life) Class of Risk: [Standard Male Non-tobacco]	[\$100,000]	With Life	[\$2,872.00]	To [2021]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$2,872.00]	[\$1,470.46]	[\$743.85]	[\$249.86]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of [\$2,872.00] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -	-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days
[\$100,000	2011]				
[100,000	2012	1	.00	0	0 0]
[100,000	2013	2	1,686.00	7,400	10 63]
[100,000	2014	3	4,799.00	20,200	20 279]
[100,000	2015	4	8,032.00	32,700	26 280]
[100,000	2016	5	11,391.00	44,700	31 33]
[100,000	2017	6	14,877.00	56,400	34 215]
[100,000	2018	7	18,497.00	67,800	37 226]
[100,000	2019	8	22,253.00	78,800	40 180]
[100,000	2020	9	26,151.00	89,600	43 336]
[100,000	2021	10	30,196.00	100,000]	
[100,000	2022	11	31,207.00	100,000]	
[100,000	2023	12	32,244.00	100,000]	
[100,000	2024	13	33,311.00	100,000]	
[100,000	2025	14	34,412.00	100,000]	
[100,000	2026	15	35,547.00	100,000]	
[100,000	2027	16	36,713.00	100,000]	
[100,000	2028	17	37,909.00	100,000]	
[100,000	2029	18	39,130.00	100,000]	
[100,000	2030	19	40,374.00	100,000]	
[100,000	2031	20	41,637.00	100,000]	
[100,000	2032	21	42,917.00	100,000]	
[100,000	2033	22	44,214.00	100,000]	
[100,000	2034	23	45,534.00	100,000]	
[100,000	2035	24	46,879.00	100,000]	
[100,000	2036	25	48,248.00	100,000]	
[100,000	2037	26	49,634.00	100,000]	
[100,000	2038	27	51,028.00	100,000]	
[100,000	2039	28	52,426.00	100,000]	
[100,000	2040	29	53,826.00	100,000]	
[100,000	2041	30	55,229.00	100,000]	
[100,000	2042	31	56,637.00	100,000]	
[100,000	2043	32	58,056.00	100,000]	
[100,000	2044	33	59,487.00	100,000]	
[100,000	2045	34	60,933.00	100,000]	
[100,000	2046	35	62,392.00	100,000]	
[100,000	2047	36	63,860.00	100,000]	
[100,000	2048	37	65,325.00	100,000]	
[100,000	2049	38	66,778.00	100,000]	
[100,000	2050	39	68,222.00	100,000]	
[100,000	2051	40	69,658.00	100,000]	

Continued on Next Page  
Page 4

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days
[100,000	2036	Age 60	48,248.00	100,000]	
[100,000	2038	Age 62	51,028.00	100,000]	
[100,000	2041	Age 65	55,229.00	100,000]	
[100,000	2046	Age 70	62,392.00	100,000]	

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.



## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured [JOHN J DOE]

[Male]

Age [35]

Policy Number [LF0000-0000]

Policy Date [May 15, 2011]

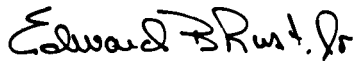
Basic Plan Amount [\$10,000]

Total Initial Amount [\$10,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.



President



Secretary

# SAMPLE

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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Beneficiary Designation.	Order of Payment on the Insured's Death.	
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**The Application and any Riders and Endorsements follow page 12.**

# P O L I C Y I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$10,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$10,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E O F B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11003	Basic Plan (Whole Life Paid-up at Age 85) Class of Risk: [Standard Male Non-tobacco]	[\$10,000]	With Life	[\$261.50]	To [2061]

## S C H E D U L E O F P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$261.50]	[\$133.89]	[\$67.73]	[\$22.75]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[261.50] will provide coverage to [May 15, 2012].

## A N N U A L D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.



S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
\$[10,000	2011]					
[10,000	2012	1	.00	0	0	0]
[10,000	2013	2	33.70	150	2	154]
[10,000	2014	3	141.80	600	8	95]
[10,000	2015	4	253.30	1,030	12	154]
[10,000	2016	5	368.50	1,450	15	182]
[10,000	2017	6	487.20	1,850	17	241]
[10,000	2018	7	609.40	2,240	19	123]
[10,000	2019	8	735.00	2,610	20	208]
[10,000	2020	9	863.90	2,960	21	180]
[10,000	2021	10	995.90	3,300	22	81]
[10,000	2022	11	1,131.20	3,630	22	296]
[10,000	2023	12	1,270.00	3,940	23	104]
[10,000	2024	13	1,412.80	4,250	23	236]
[10,000	2025	14	1,560.30	4,540	23	329]
[10,000	2026	15	1,712.40	4,820	24	24]
[10,000	2027	16	1,868.80	5,100	24	56]
[10,000	2028	17	2,029.30	5,360	24	66]
[10,000	2029	18	2,193.30	5,610	24	55]
[10,000	2030	19	2,360.70	5,850	24	25]
[10,000	2031	20	2,530.80	6,080	23	341]
[10,000	2032	21	2,698.10	6,290	23	263]
[10,000	2033	22	2,867.60	6,490	23	172]
[10,000	2034	23	3,040.30	6,680	23	69]
[10,000	2035	24	3,216.40	6,870	22	321]
[10,000	2036	25	3,395.70	7,040	22	201]
[10,000	2037	26	3,577.40	7,210	22	73]
[10,000	2038	27	3,760.40	7,370	21	305]
[10,000	2039	28	3,944.20	7,530	21	167]
[10,000	2040	29	4,128.60	7,680	21	21]
[10,000	2041	30	4,313.70	7,820	20	239]
[10,000	2042	31	4,499.90	7,950	20	86]
[10,000	2043	32	4,687.90	8,080	19	295]
[10,000	2044	33	4,878.00	8,210	19	139]
[10,000	2045	34	5,070.40	8,330	18	340]
[10,000	2046	35	5,265.30	8,440	18	184]
[10,000	2047	36	5,462.00	8,560	18	18]
[10,000	2048	37	5,659.20	8,670	17	228]
[10,000	2049	38	5,855.90	8,770	17	69]
[10,000	2050	39	6,052.70	8,880	16	281]
[10,000	2051	40	6,250.00	8,980	16	134]

Continued on Next Page

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----					
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs	Days
[10,000	2036	Age 60	3,395.70	7,040	22	201]
[10,000	2038	Age 62	3,760.40	7,370	21	305]
[10,000	2041	Age 65	4,313.70	7,820	20	239]
[10,000	2046	Age 70	5,265.30	8,440	18	184]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.



## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[55]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2011]
Basic Plan Amount	[\$10,000]
Total Initial Amount	[\$10,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[55]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$10,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$10,000]
Issue Date	[May 15, 2011]		
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11006	Basic Plan (Whole Life Paid-up at Age 100) Class of Risk: [Male Non-tobacco]	[\$10,000]	With Life	[\$478.10]	To [2056]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Monthly
[May 15, 2011]	[\$478.10]	[\$41.60]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00 and for the monthly premium is \$4.35.

Initial payment of \$[478.10] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----		
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars
\$[10,000	2011]			
[10,000	2012	1	.00	0]
[10,000	2013	2	28.40	70]
[10,000	2014	3	267.60	590]
[10,000	2015	4	511.50	1,100]
[10,000	2016	5	759.80	1,580]
[10,000	2017	6	1,011.20	2,040]
[10,000	2018	7	1,264.40	2,480]
[10,000	2019	8	1,518.50	2,900]
[10,000	2020	9	1,773.20	3,300]
[10,000	2021	10	2,028.80	3,680]
[10,000	2022	11	2,285.70	4,040]
[10,000	2023	12	2,544.80	4,390]
[10,000	2024	13	2,806.60	4,720]
[10,000	2025	14	3,071.40	5,050]
[10,000	2026	15	3,339.20	5,360]
[10,000	2027	16	3,609.20	5,660]
[10,000	2028	17	3,879.30	5,940]
[10,000	2029	18	4,148.20	6,220]
[10,000	2030	19	4,416.60	6,480]
[10,000	2031	20	4,684.80	6,730]
[10,000	2032	21	4,935.10	6,950]
[10,000	2033	22	5,183.00	7,150]
[10,000	2034	23	5,426.90	7,350]
[10,000	2035	24	5,665.00	7,530]
[10,000	2036	25	5,896.40	7,710]
[10,000	2037	26	6,120.10	7,870]
[10,000	2038	27	6,335.80	8,020]
[10,000	2039	28	6,544.60	8,160]
[10,000	2040	29	6,746.10	8,290]
[10,000	2041	30	6,939.40	8,420]
[10,000	2042	31	7,123.20	8,530]
[10,000	2043	32	7,296.40	8,640]
[10,000	2044	33	7,458.50	8,730]
[10,000	2045	34	7,609.40	8,820]
[10,000	2046	35	7,749.40	8,900]
[10,000	2047	36	7,880.80	8,980]
[10,000	2048	37	8,007.00	9,050]
[10,000	2049	38	8,128.90	9,130]
[10,000	2050	39	8,247.80	9,200]
[10,000	2051	40	8,365.30	9,270]

Continued on Next Page



# SCHEDULE OF INSURANCE AND VALUES

Continued from Page 4

- Insurance Amount -		-----Guaranteed Values-----		
On		End of	Cash	Paid up
Insured	[May 15],	Policy Year	Value	Insurance
			Dollars	Dollars
[10,000	2016	Age 60	759.80	1,580]
[10,000	2018	Age 62	1,264.40	2,480]
[10,000	2021	Age 65	2,028.80	3,680]
[10,000	2026	Age 70	3,339.20	5,360]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Paid-up Insurance at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.



## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[35]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2011]
Basic Plan Amount	[\$25,000]
Total Initial Amount	[\$25,000]

This Policy is based on the Application and the payment of the single premium. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of the single premium paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

**If You surrender this Policy, such surrender may result in a substantial penalty because the Cash Value of this Policy may be less than the premium paid.**

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Single premium whole life insurance. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] (Male)	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$25,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$25,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Single Premium
11010	Basic Plan (Single Premium Whole Life) Class of Risk: [Standard Male Non-tobacco]	[\$25,000]	With Life	[\$6,938.50]

## P R E M I U M

Single Premium:    [\$6,938.50]

The premium shown above includes a policy fee of \$175.00.

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 8.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -	-----Guaranteed Values-----		
On Insured	[May 15],	End of Policy Year	Cash Value Dollars
\$[25,000	2011]		
[25,000	2012	1	5,550.50]
[25,000	2013	2	5,746.50]
[25,000	2014	3	5,949.25]
[25,000	2015	4	6,158.25]
[25,000	2016	5	6,374.25]
[25,000	2017	6	6,596.75]
[25,000	2018	7	6,825.75]
[25,000	2019	8	7,061.00]
[25,000	2020	9	7,302.00]
[25,000	2021	10	7,549.00]
[25,000	2022	11	7,801.75]
[25,000	2023	12	8,061.00]
[25,000	2024	13	8,327.75]
[25,000	2025	14	8,603.00]
[25,000	2026	15	8,886.75]
[25,000	2027	16	9,178.25]
[25,000	2028	17	9,477.25]
[25,000	2029	18	9,782.50]
[25,000	2030	19	10,093.50]
[25,000	2031	20	10,409.25]
[25,000	2032	21	10,729.25]
[25,000	2033	22	11,053.50]
[25,000	2034	23	11,383.50]
[25,000	2035	24	11,719.75]
[25,000	2036	25	12,062.00]
[25,000	2037	26	12,408.50]
[25,000	2038	27	12,757.00]
[25,000	2039	28	13,106.50]
[25,000	2040	29	13,456.50]
[25,000	2041	30	13,807.25]
[25,000	2042	31	14,159.25]
[25,000	2043	32	14,514.00]
[25,000	2044	33	14,871.75]
[25,000	2045	34	15,233.25]
[25,000	2046	35	15,598.00]
[25,000	2047	36	15,965.00]
[25,000	2048	37	16,331.25]
[25,000	2049	38	16,694.50]
[25,000	2050	39	17,055.50]
[25,000	2051	40	17,414.50]

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Page 4

SCHEDULE OF INSURANCE AND VALUES

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----		
On	End of	Cash	
Insured	Policy	Value	
	[May 15],	Year	Dollars
[25,000	2036	Age 60	12,062.00]
[25,000	2038	Age 62	12,757.00]
[25,000	2041	Age 65	13,807.25]
[25,000	2046	Age 70	15,598.00]

The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.



## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 2.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits and any dividend payable at the Insured's death less any Loan and any accrued Loan Interest.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

**Payment of Premium.** You may pay the single premium at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premium paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
2. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
3. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 1. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Cash Values.** The Cash Values are shown on page 4. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date.

**Basis of Computation.** The Cash Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Cash Values and single premiums for Dividend Option 1 are based on the Insured's age last birthday and sex. It is assumed that claims are paid immediately. The interest rate and the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time while this Policy is in force. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on other policies with Us.

You may borrow the Loan Value less any existing Loan and accrued Loan Interest. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from the next Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made; and
- (2) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Single premium whole life insurance. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.





## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[35]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2010]
Basic Plan Amount	[\$25,000]
Total Initial Amount	[\$25,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

*Edward B. Rust, Jr.*

President

*Kim M. Brunner*

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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**The Application and any Riders and Endorsements follow page 12.**

# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$25,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$25,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11050	Basic Plan (Whole Life Paid-up at Age 100) Class of Risk: [Standard Non-tobacco]	[\$25,000]	With Life	[\$423.25]	To [2076]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$423.25]	[\$216.71]	[\$109.62]	[\$36.82]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[423.25] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
\$[25,000	2011]					
[25,000	2012	1	.00	0	0	0]
[25,000	2013	2	00.00	0	0	0]
[25,000	2014	3	202.50	875	5	129]
[25,000	2015	4	476.00	2,000	10	88]
[25,000	2016	5	758.25	3,050	13	330]
[25,000	2017	6	1,049.75	4,075	16	153]
[25,000	2018	7	1,350.00	5,075	18	121]
[25,000	2019	8	1,658.75	6,025	19	288]
[25,000	2020	9	1,975.50	6,925	20	322]
[25,000	2021	10	2,300.75	7,800	21	269]
[25,000	2022	11	2,634.00	8,650	22	157]
[25,000	2023	12	2,976.00	9,450	23	1]
[25,000	2024	13	3,328.00	10,225	23	163]
[25,000	2025	14	3,691.00	10,975	23	283]
[25,000	2026	15	4,064.75	11,700	24	2]
[25,000	2027	16	4,449.00	12,400	24	56]
[25,000	2028	17	4,842.25	13,075	24	85]
[25,000	2029	18	5,244.75	13,725	24	92]
[25,000	2030	19	5,655.00	14,350	24	77]
[25,000	2031	20	6,072.25	14,925	24	44]
[25,000	2032	21	6,471.25	15,450	23	333]
[25,000	2033	22	6,875.75	15,925	23	244]
[25,000	2034	23	7,287.00	16,375	23	143]
[25,000	2035	24	7,706.00	16,825	23	31]
[25,000	2036	25	8,132.25	17,250	22	276]
[25,000	2037	26	8,563.75	17,675	22	148]
[25,000	2038	27	8,999.00	18,050	22	12]
[25,000	2039	28	9,436.00	18,425	21	238]
[25,000	2040	29	9,875.00	18,775	21	91]
[25,000	2041	30	10,315.50	19,125	20	304]
[25,000	2042	31	10,758.50	19,450	20	150]
[25,000	2043	32	11,205.00	19,750	19	352]
[25,000	2044	33	11,655.75	20,050	19	192]
[25,000	2045	34	12,111.00	20,325	19	22]
[25,000	2046	35	12,570.50	20,600	18	222]
[25,000	2047	36	13,032.50	20,875	18	49]
[25,000	2048	37	13,493.75	21,125	17	245]
[25,000	2049	38	13,952.00	21,350	17	72]
[25,000	2050	39	14,407.75	21,575	16	268]
[25,000	2051	40	14,861.50	21,800	16	100]

Continued on Next Page  
Page 4

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days
[25,000	2036	Age 60	8,132.25	17,250	22 276]
[25,000	2038	Age 62	8,999.00	18,050	22 12]
[25,000	2041	Age 65	10,315.50	19,125	20 304]
[25,000	2046	Age 70	12,570.50	20,600	18 222]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary (80) Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age.** If the Insured's date of birth is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.



## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



State Farm Life Insurance Company  
One State Farm Plaza, Bloomington, IL 61710-0001

Doc  
Type: **01** Check Digit

## Application for Individual Life Insurance

### 1. Type of Application (Check one)

- a. ☒ New Business
- b. ☐ Change of Plan/Added Benefits ☐ Universal Life Increase Existing Plan Number(s):  
☐ Term Conversion with Increase in Amount ☐ Select Term Re-entry

### 2. Proposed Insured 1 (Print name in full)

<input checked="" type="checkbox"/> Mr. Last Name		First Name		Middle Initial	
a. <input type="checkbox"/> Ms. [Doe]		[John]		[J]	
Mailing Address		City		State	ZIP Code
b. [123 Main St.]		[Bloomington]		[AR]	[61701]
Social Security or Tax Identification Number	Driver's License Number	State	Sex	Birth Date (mm/dd/yyyy)	Age
c. [000-00-0000]	[D000 0000 0000]	[AR]	[M]	[08/22/1975]	[35]
Marital Status	Height	Weight	State of Birth	United States or Canadian Citizen?	Yes No
d. [Married]	[5   10]	[195]	[AR]	[ <input checked="" type="checkbox"/> <input type="checkbox"/> ]	
Occupation	Employer's Name				
e. [Attorney]	[Self]				
Do job duties involve work in one of the following occupation categories: amusement, sports, construction, explosives, diving, liquor, logging, mining, gas, or oil? (If yes, explain exact duties.)					Yes No [ <input type="checkbox"/> <input checked="" type="checkbox"/> ]

f. \_\_\_\_\_

### 3. Proposed Insured 2 (Additional Insured or Payor, print name in full)

<input type="checkbox"/> Mr. Last Name		First Name		Middle Initial	
a. <input type="checkbox"/> Ms.					
Social Security or Tax Identification Number	Driver's License Number	State	Sex	Birth Date (mm/dd/yyyy)	Age
b.					
Marital Status	Height	Weight	State of Birth	United States or Canadian Citizen?	Yes No
c.					<input type="checkbox"/> <input type="checkbox"/>
Occupation	Employer's Name				
d.					
Do job duties involve work in one of the following occupation categories: amusement, sports, construction, explosives, diving, liquor, logging, mining, gas, or oil? (If yes, explain exact duties.)					Yes No <input type="checkbox"/> <input type="checkbox"/>

e. \_\_\_\_\_

### 4. Applicant/Owner (Complete 4 if not Proposed Insured 1, print name in full)

Last Name		First Name		Middle Initial	Social Security or Tax Identification Number
a. [Doe]		[Jane]		[A]	[000-00-0000]
Mailing Address		City		State	ZIP Code
b. [123 Main St.]		[Bloomington]		[AR]	[61701]
<b>Successor Owner (Required unless the Applicant/Owner is a Trust or Corporation)</b>					
Last Name		First Name		Middle Initial	
c. [Doe]		[Jill]		[A]	



**5. Complete 5 if Proposed Insured is under age 16**

a. Is Proposed Insured to be Owner at and after age 21? ☐ Yes ☐ No

**b.** Give amount of insurance in force on: *(If none, so indicate.)*

Father \$ \_\_\_\_\_ Mother \$ \_\_\_\_\_

**6. Coverages Applied For** *(Do not complete 6-8 if applying for Universal Life.)*

a. Amount Applied For: \$ [100,000]

**Basic Plan coverage applied for:**

- ☐ Whole Life                      ☐ Term to Age 95 - 10                      ☐ Return of Premium Term - 20  
☐ Single Premium Life                      ☐ Term to Age 95 - 20                      ☐ Return of Premium Term - 30  
☒ 10 Pay Life                      ☐ Term to Age 95 - 30                      ☐ Decreasing Term - 15  
☐ 15 Pay Life                      ☐ 5 Year Term                      ☐ Decreasing Term - 30  
☐ 20 Pay Life

**b. Riders/Benefits applied for:** *(Check Ratebook for availability of riders.)*

Waiver of Premium (PI 1 only) [ ☐ Yes ☒ No ]

- ☐ Guaranteed Insurability Option \$

- |     | Children's Term Rider | Units |
|-----|-----------------------|-------|
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| 77  |                       |       |
| 78  |                       |       |
| 79  |                       |       |
| 80  |                       |       |
| 81  |                       |       |
| 82  |                       |       |
| 83  |                       |       |
| 84  |                       |       |
| 85  |                       |       |
| 86  |                       |       |
| 87  |                       |       |
| 88  |                       |       |
| 89  |                       |       |
| 90  |                       |       |
| 91  |                       |       |
| 92  |                       |       |
| 93  |                       |       |
| 94  |                       |       |
| 95  |                       |       |
| 96  |                       |       |
| 97  |                       |       |
| 98  |                       |       |
| 99  |                       |       |
| 100 |                       |       |

- ☐
- Payor (Complete PI 2)

- ☐
- 5 Year Term (PI 1) \$

- ☐ Term to Age 95 - 10 (PI 1)      \$

- ☐ Term to Age 95 - 20 (PI 1)      \$

- ☐ Term to Age 95 - 30 (PI 1)      \$

- ☐ Decreasing Term - 15 (PI 1)      \$

- ☐
- Decreasing Term - 30 (PI 1) \$

- ☐
- 5 Year Term (PI 2) \$

- ☐ Term to Age 95 - 10 (PI 2)      \$

- ☐ Term to Age 95 - 20 (PI 2)      \$

- ☐ Term to Age 95 - 30 (PI 2)      \$

- ☐
- Decreasing Term - 15 (PI 2)      \$

- ☐
- Decreasing Term - 30 (PI 2) \$

**c. Amount of premium submitted with Application: \$ [ 2,741.00 ]**

**Mode of premium payment:** [annual]

## 7. Dividend Option

If the dividend option chosen is not available or no option is chosen, policy provisions determine the option.

☒ Paid-up Additions

- ☐ Accumulate
- ☐ Reduce Premium
- ☐ Cash

8. Complete if policy applied for has an APL provision.

Do you want the Automatic Premium Loan provision to apply, if applicable?

Yes No  
[ ☐ ☒ ]

## 9. Universal Life / Second to Die

a. Initial Basic Amount: \$ \_\_\_\_\_ ☐ Universal Life ☐ Second to Die

b. Death Benefit: *(Complete for new policy only.)*

If no option is chosen, policy provisions determine the option.

☐ Option 1 - Basic Amount ☐ Option 2 - Basic Amount plus Account Value

c. Riders/Benefits applied for: *(Check Ratebook for availability of riders.)*

Waiver of Monthly Deduction (PI 1 only) ☐ Yes ☐ No

### Universal Life ONLY

☐ Guaranteed Insurability Option \$ \_\_\_\_\_

☐ Children's Term Rider \_\_\_\_\_ Units

☐ Level Term (PI 2) \$ \_\_\_\_\_

☐ Accelerated Death Benefit for Long-Term Care

### Second to Die ONLY

☐ Level Term (PI 1) \$ \_\_\_\_\_

☐ Level Term (PI 2) \$ \_\_\_\_\_

☐ Second to Die 4-Year Level Term

d. Dividend Option:

If no option is chosen, policy provisions determine the option.

☐ Addition to Account Value ☐ Cash

e. IRS Definition of life insurance test: *(only applicable to Universal Life)*

☐ Cash Value Accumulation ☐ Guideline Premium

f. Planned Premium:

Mode chosen: ☐ Annual ☐ SFPP Existing SFPP Account Number: \_\_\_\_\_

☐ Other Special Monthly: \_\_\_\_\_

Amount to be billed each payment date: \$ \_\_\_\_\_

Amount of premium submitted with Application: \$ \_\_\_\_\_

g. Increase in Basic Amount for Universal Life only: *(Do not complete for new policy.)* \$ \_\_\_\_\_

## 10. Beneficiary Designation - Proposed Insured 1

Completion of this section will replace all previous rider and policy designations for this policy. If a Change of Plan or an addition in coverage, this designation will replace previous designations for this insured. If the Basic Plan is Second to Die, this designation applies only if Proposed Insured 1 is the Survivor or insured under a Level Term (PI 1) rider.

Primary Beneficiary - Full Name	Relationship
[Jane A Doe]	[Spouse]
Successor Beneficiary - Full Name	Relationship
[Jill A Doe]	[Child]

**11. Beneficiary Designation - Proposed Insured 2**

Complete for Additional Insured's rider only if the Beneficiary provision in the rider is NOT desired. If this section is completed, the Payment of Benefit provision of the policy will control rather than the Beneficiary provision of such rider. "Additional Insured" would be used in place of the "Insured". If a Change of Plan or an addition in coverage, this designation will replace previous designations for this insured. If the Basic Plan is Second to Die, this designation applies only if Proposed Insured 2 is the Survivor or insured under a Level Term (PI 2) rider.

Primary Beneficiary - Full Name

Relationship

Successor Beneficiary - Full Name

Relationship

**12. Complete 12 if CTR applied for.** *List children under age 18 (if none, so state)*

Last Name, First Name, MI (If last name different, explain.)	Relationship to Proposed Insured 1	Birth Date			Amount Now Insured For
		Month	Day	Year	
					\$

**Complete 13-15 if CTR applied for OR Proposed Insured 1 is under age 16.**

13. In the last 10 years, has Proposed Insured 1 or any children named in question 12, been diagnosed, treated, or been given advice by a member of the medical profession for: *(If yes, check all that apply and explain.)*

Yes No  
☐ ☐

- |  |   |   |
|--|---|---|
| a. <input type="checkbox"/> birth defect   | e. <input type="checkbox"/> mental disorder | i. <input type="checkbox"/> impairment of sight, hearing, or speech |
| b. <input type="checkbox"/> asthma         | f. <input type="checkbox"/> seizure         | j. <input type="checkbox"/> diabetes                                |
| c. <input type="checkbox"/> kidney disease | g. <input type="checkbox"/> heart murmur    | k. <input type="checkbox"/> anemia                                  |
| d. <input type="checkbox"/> leukemia       | h. <input type="checkbox"/> cancer          |   |

14. Has Proposed Insured 1 or any children named in question 12, ever been diagnosed by a member of the medical profession or tested positive for Human Immunodeficiency Virus (AIDS virus) or Acquired Immune Deficiency Syndrome (AIDS)? *(If yes, explain.)*

Yes No  
☐ ☐

15. In the last 3 years, has Proposed Insured 1 or any children named in question 12, seen a doctor for any reason not previously explained excluding any routine physical examination with normal findings? *(If yes, explain.)*

☐ ☐

## 16. Complete for all Applications

Proposed Insured 1 or Applicant, if other than Proposed Insured 1:

a. Do you own any life insurance or annuities on yourself or others?

Yes No  
[ ☐ ☒ ]

b. If yes, is this policy a replacement of any of those policies?

[ ☐ ☒ ]

c. What is the total amount of life insurance in force on you from all companies (excluding group insurance)?

PI 1 \$ \_\_\_\_\_ PI 2 \$ \_\_\_\_\_

d. Is anyone now applying for life or health insurance on you with any other company?

PI 1		PI 2	
Yes	No	Yes	No
[ <input type="radio"/> ]	[ <input checked="" type="radio"/> ]	[ <input type="radio"/> ]	[ <input type="radio"/> ]

(If yes, in Explanations state company and amounts.)

## Applications (Ages 16 & up): Complete 17-22

17. Have you used tobacco or other nicotine products in any form in the last 36 months?

PI 1		PI 2	
Yes	No	Yes	No
[ <input type="radio"/> ]	[ <input checked="" type="radio"/> ]	[ <input type="radio"/> ]	[ <input type="radio"/> ]

(If yes, please provide month/year last used: PI 1 \_\_\_\_\_ / \_\_\_\_\_ PI 2 \_\_\_\_\_ / \_\_\_\_\_ )  
Month Year Month Year

18. In the last 10 years, have you been diagnosed, treated, or been given advice by a member of the medical profession for: (If yes, explain.)

[ ☐ ☒ ] [ ☐ ☐ ]

(Check all that apply)

(Check all that apply)

PI 1 PI 2

PI 1 PI 2

a. ☐ ☐ cancer or tumor

c. ☐ ☐ heart disease or disorder, chest pain, high blood pressure

b. ☐ ☐ diabetes

d. ☐ ☐ stroke or transient ischemic attack (TIA)

19. Have you ever been diagnosed by a member of the medical profession or tested positive for Human Immunodeficiency Virus (AIDS virus) or Acquired Immune Deficiency Syndrome (AIDS)? (If yes, explain.)

[ ☐ ☒ ] [ ☐ ☐ ]

20. In the last 5 years, have you for any reason not previously explained: (If yes, explain.)

a. seen a doctor or psychologist?

[ ☐ ☒ ] [ ☐ ☐ ]

b. had medication prescribed **other than** medications for cold, flu, seasonal allergies (i.e. hay fever), or birth control? (If yes, list and explain.)

[ ☐ ☒ ] [ ☐ ☐ ]

c. had or been advised by a member of the medical profession to have treatment or a test (except for Human Immunodeficiency Virus) in any lab, clinic, or hospital?

[ ☐ ☒ ] [ ☐ ☐ ]

d. been told by a member of the medical profession surgery was necessary?

[ ☐ ☒ ] [ ☐ ☐ ]

21. In the last 3 years, have you: (If yes, explain.)

a. been convicted of or pleaded guilty to any felony or any moving violations or driving under the influence of alcohol or drugs?

[ ☐ ☒ ] [ ☐ ☐ ]

b. engaged in any type of aviation activity (other than as a passenger); or is any such activity planned in the next 6 months?

[ ☐ ☒ ] [ ☐ ☐ ]

c. engaged in avocations such as mountain/rock climbing, vehicle racing, SCUBA/skin diving, sky diving, ballooning, or hang gliding; or is any such activity planned in the next 6 months?

[ ☐ ☒ ] [ ☐ ☐ ]

22. Do you plan to leave or travel from the United States or Canada in the next 6 months? (If yes, explain.)

[ ☐ ☒ ] [ ☐ ☐ ]

**23. Applications (Ages 16 and up): Complete 23**

Proposed Insured 1 or Applicant, if other than Proposed Insured 1:

- a. Have you entered into or made any plans to enter into any agreement or contract to sell or assign the ownership of, or a beneficial interest in the policy you are applying for? *(If yes, explain.)* [ Yes ☐ No ☒ ]
- b. Have you received or do you anticipate receiving any type of inducement, fee, or compensation as an incentive to purchase the policy you are applying for? *(If yes, explain.)* [ Yes ☐ No ☒ ]
- c. Have you ever received any inducement, fee or compensation as an incentive to purchase, sell, transfer or assign a life insurance or annuity policy? *(If yes, explain.)* [ Yes ☐ No ☒ ]
- d. Have you ever sold, transferred or assigned any life insurance or annuity policy to a third party, such as a viatical settlement entity, life settlement entity, insurance company, other secondary market provider, or premium financing entity? *(If yes, explain.)* [ Yes ☐ No ☒ ]

**Applications (Ages 16 & up if NO medical exam is required): Complete 24-26**

- |  |   | PI 1                        |   | PI 2                             |      |                       |                       |
|--|---|-----------------------------|---|----------------------------------|------|-----------------------|-----------------------|
|  |   | Yes                         | No  | Yes                              | No   |                       |                       |
| 24. In the last 10 years, have you for any reason not previously explained, been diagnosed, treated, or been given advice by a member of the medical profession for: <i>(If yes, explain.)</i>   |   | [                           | <input type="radio"/>                               | <input checked="" type="radio"/> | ]    | <input type="radio"/> | <input type="radio"/> |
| <i>(Check all that apply)</i>  |   |                             |   |                                  |      |                       |                       |
| PI 1   | PI 2  |                             |   | PI 1                             | PI 2 |                       |                       |
| a. <input type="checkbox"/>  | <input type="checkbox"/> respiratory disorder         | c. <input type="checkbox"/> | <input type="checkbox"/> mental or nervous disorder |                                  |      |                       |                       |
| b. <input type="checkbox"/>  | <input type="checkbox"/> liver or intestinal disorder | d. <input type="checkbox"/> | <input type="checkbox"/> blood disorder             |                                  |      |                       |                       |
| 25. In the last 5 years, have you applied for or received disability benefits; had an injury to your neck, back, arm, or leg; or had any loss of sight or hearing? <i>(If yes, explain.)</i>   |   | [                           | <input type="radio"/>                               | <input checked="" type="radio"/> | ]    | <input type="radio"/> | <input type="radio"/> |
| 26. In the last 5 years, have you used cocaine, marijuana, methamphetamine, or any other controlled substance or narcotic not prescribed by a member of the medical profession; had medical treatment or counseling for use of alcohol or prescribed or non-prescribed drugs; or been advised by a member of the medical profession to discontinue use of alcohol or prescribed or non-prescribed drugs? <i>(If yes, explain.)</i> |   | [                           | <input type="radio"/>                               | <input checked="" type="radio"/> | ]    | <input type="radio"/> | <input type="radio"/> |

**27. Explanations:**

If space below is insufficient, use additional sheets which will be part of this application. Sheets must be signed and dated by Proposed Insured(s), and/or Applicant, and witnessed by Agent.

## 28. Agreements

Coverage will be effective as of the Policy Date if the following conditions are met: the first premium is paid when this policy is delivered; the Proposed Insureds are living on the delivery date; and, on that delivery date, the information given to the Company is true and complete to the best of the Proposed Insureds' and Applicant's knowledge and belief.

For changes in Basic Amount for a Universal Life Policy, the change will be effective on the Deduction Date on or next following acceptance of the change by the Company if on such Deduction Date the following conditions are met: there is enough Cash Surrender Value to make the required monthly deduction; the Proposed Insureds are all living; and the information given to the Company is true and complete to the best of the Proposed Insureds' and Applicant's knowledge and belief.

However, if a binding receipt has been given and is in effect, its terms apply.

All Proposed Insureds and the Applicant state that the information in this Application and any medical history is true and complete to the best of their knowledge and belief. Information is not true and complete to the best of their knowledge and belief if it misrepresents or omits a fact which a Proposed Insured or the Applicant knew or should have known, regardless whether the misrepresentation or omission was intentional. It is agreed that the Company can investigate the truth and completeness of such information while this policy is contestable.

By accepting this Policy, the Owner agrees to the beneficiaries named and corrections made. No change in plan, amount, benefits, or age at issue may be made on the Application unless the Owner agrees in writing. Only an authorized company officer may change the policy provisions. Neither the agent nor a medical examiner may pass on insurability.

Any policy issued on this Application will be owned by Proposed Insured 1 or the Applicant, if other than Proposed Insured 1.

NOTICE: Insurance laws may prohibit the owner of a life insurance policy from entering into any agreement to sell, transfer or assign a life insurance policy prior to the date the policy was issued, or within a period of time specified by state law after the date the policy was issued. The Owner should consult with legal advisors for any questions about these matters.

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### Social Security or Tax Identification Number (TIN) Certification

By signing this application, I certify under penalties of perjury that (1) the TIN shown above is correct, and (2) I am exempt from backup withholding, or that I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding, (If you are subject to backup withholding, cross out item 2.) and (3) I am a U.S. person (Including a U.S. resident alien).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding. (See instructions.)

Date Signed [June 18, 2011]

at [Bloomington, AR]  
City State

SAMPLE

Signature of Agent as  
Witness to all Signatures X [Mark Smith]

Signature of  
Proposed Insured 1 X [John Doe]

Not required if Proposed Insured is under age 16.

Signature of  
Proposed Insured 2 X

Signature  
of Applicant X [Jane A. Doe]

Not required unless applicant is other than Proposed Insured 1. If a firm or corporation is to be the owner, give its name and signature of authorized officer.

STATE FARM LIFE INSURANCE COMPANY

AMENDMENT OF APPLICATION

I, [Jane Doe], amend my application, on the life of [John Doe], dated [June 1, 2011] as follows:

[Issue with a Table 4 rating.]

[Issue without the Waiver of Premium Benefit Rider.]

I agree that this amendment will control over any conflicting language contained in the application. The consideration for this amendment is the issuance of the policy with the above agreed upon changes.

Dated on [June 15, 2011] at [Bloomington, IL]  
City/State

[ Mark Smith ]  
Signature of Agent as  
Witness

[ Jane A. Doe ]  
Signature of Applicant or  
Owner

SERFF Tracking Number:	STFL-126931804	State:	Arkansas
Filing Company:	State Farm Life Insurance Company	State Tracking Number:	47498
Company Tracking Number:	SFL11000		
TOI:	L071 Individual Life - Whole	Sub-TOI:	L071.101 Fixed/Indeterminate Premium - Single Life
Product Name:	WLLP 11000		
Project Name/Number:	WLLP 11000/WLLP 11000		

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b> See Attached		
<b>Attachment:</b> 11000 etal CERFLESCH - 11-16-2010.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Application		
<b>Comments:</b> See application form 1000704 AR.2 attached to the Form Schedule tab.		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Regulation 19		
<b>Comments:</b> See Attached		
<b>Attachment:</b> ARREG19 11000 et al.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Arkansas - Form 1		
<b>Comments:</b> See Attached		
<b>Attachment:</b> AR_Form1_NewAlbany.pdf		

	<b>Item Status:</b>	<b>Status</b>
--	---------------------	---------------



<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		

**Date:**

**Satisfied - Item:** Sample Specification Pages

**Comments:**

Pages 3 & 4 for L-15 and L-20

**Attachments:**

11002(L15) Pg 3\_4 11-16-10\_Bracketed.pdf

11002(L20) Pg 3\_4 11-16-10\_Bracketed.pdf

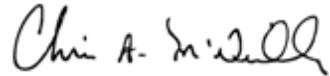
**STATE FARM LIFE INSURANCE COMPANY**  
**One State Farm Plaza (B-2)**  
**Bloomington, IL 61710**

**CERTIFICATE**

The following term(s) meet the minimum reading ease score using the Flesch reading ease test.  
Unless indicated, each form has been scored separately.

<u>Form #</u>	<u>Flesch Reading Ease Score</u>
11000	60
11002	60
11003	60
11006	60
11010	61
11050	60
1000704 AR.2	50
231-1634.4	*

\* When attached to form 1000704 AR.2, the combined Flesch Reading Ease Score is 52.



Chris A. McNeilly, Assistant Secretary

Life/Health Contracts & Compliance

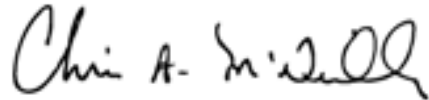
Date: December 7, 2010

**STATE OF ARKANSAS**

**CERTIFICATION**

This is to certify that the forms contained in this submission are in compliance with Arkansas Regulation No. 19:

Form # 11000, 11002, 11003, 11006, 11010, 11050, 1000704 AR.2 and 231-1634.4



---

Chris A. McNeilly  
Assistant Secretary

---

December 7, 2010

Date

# State Farm Insurance Companies



New Albany Operations Center  
5400 New Albany Road East  
New Albany, OH 43054

Date

Mr. John Smith  
Street Address  
City, State, Zip Code

Re: Policy No.  
Claim No.  
Insured

Dear Mr. Smith:

Thank you for notifying us of the claim against this policy.

(Variable information)

Arkansas Law requires us to pay 8% interest per year on policy proceeds and refund of premiums if payment is not made within 30 days after our receipt of proof of the insured's death. Such interest accrues from date of death to date of payment.

(Variable information)

Sincerely,

# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$50,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$50,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11002	Basic Plan (15 Pay Whole Life) Class of Risk: [Standard Male Non-tobacco]	[\$50,000]	With Life	[\$1,439.00]	To [2026]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$1,439.00]	[\$736.77]	[\$372.70]	[\$125.20]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[1,439.00] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
\$[50,000	2011]					
[50,000	2012	1	.00	0	0	0]
[50,000	2013	2	358.50	1,600	4	346]
[50,000	2014	3	1,431.00	6,050	14	205]
[50,000	2015	4	2,543.00	10,350	20	143]
[50,000	2016	5	3,696.50	14,500	24	101]
[50,000	2017	6	4,892.00	18,550	27	40]
[50,000	2018	7	6,130.50	22,500	29	174]
[50,000	2019	8	7,413.00	26,250	31	158]
[50,000	2020	9	8,740.50	29,950	33	46]
[50,000	2021	10	10,113.50	33,500	34	227]
[50,000	2022	11	11,535.00	37,000	36	3]
[50,000	2023	12	13,007.50	40,350	37	160]
[50,000	2024	13	14,535.50	43,650	39	30]
[50,000	2025	14	16,123.50	46,900	41	165]
[50,000	2026	15	17,773.50	50,000]		
[50,000	2027	16	18,356.50	50,000]		
[50,000	2028	17	18,954.50	50,000]		
[50,000	2029	18	19,565.00	50,000]		
[50,000	2030	19	20,187.00	50,000]		
[50,000	2031	20	20,818.50	50,000]		
[50,000	2032	21	21,458.50	50,000]		
[50,000	2033	22	22,107.00	50,000]		
[50,000	2034	23	22,767.00	50,000]		
[50,000	2035	24	23,439.50	50,000]		
[50,000	2036	25	24,124.00	50,000]		
[50,000	2037	26	24,817.00	50,000]		
[50,000	2038	27	25,514.00	50,000]		
[50,000	2039	28	26,213.00	50,000]		
[50,000	2040	29	26,913.00	50,000]		
[50,000	2041	30	27,614.50	50,000]		
[50,000	2042	31	28,318.50	50,000]		
[50,000	2043	32	29,028.00	50,000]		
[50,000	2044	33	29,743.50	50,000]		
[50,000	2045	34	30,466.50	50,000]		
[50,000	2046	35	31,196.00	50,000]		
[50,000	2047	36	31,930.00	50,000]		
[50,000	2048	37	32,662.50	50,000]		
[50,000	2049	38	33,389.00	50,000]		
[50,000	2050	39	34,111.00	50,000]		
[50,000	2051	40	34,829.00	50,000]		

Continued on Next Page  
Page 4

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days
[50,000	2036	Age 60	24,124.00	50,000]	
[50,000	2038	Age 62	25,514.00	50,000]	
[50,000	2041	Age 65	27,614.50	50,000]	
[50,000	2046	Age 70	31,196.00	50,000]	

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$25,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$25,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11002	Basic Plan (20 Pay Whole Life) Class of Risk: [Standard Male Non-tobacco]	[\$25,000]	With Life	[\$620.75]	To [2031]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$620.75]	[\$317.83]	[\$160.78]	[\$54.01]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of [\$620.75] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.



S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
\$[25,000	2011]					
[25,000	2012	1	.00	0	0	0]
[25,000	2013	2	72.00	325	2	29]
[25,000	2014	3	496.00	2,100	10	310]
[25,000	2015	4	935.25	3,800	16	235]
[25,000	2016	5	1,390.25	5,475	20	154]
[25,000	2017	6	1,861.00	7,075	23	47]
[25,000	2018	7	2,348.00	8,600	25	56]
[25,000	2019	8	2,851.25	10,100	26	309]
[25,000	2020	9	3,371.00	11,550	28	100]
[25,000	2021	10	3,907.00	12,950	29	165]
[25,000	2022	11	4,460.75	14,300	30	169]
[25,000	2023	12	5,032.75	15,625	31	125]
[25,000	2024	13	5,625.00	16,900	32	40]
[25,000	2025	14	6,239.50	18,150	32	296]
[25,000	2026	15	6,876.75	19,350	33	184]
[25,000	2027	16	7,537.00	20,550	34	88]
[25,000	2028	17	8,220.25	21,700	35	34]
[25,000	2029	18	8,926.25	22,825	36	81]
[25,000	2030	19	9,656.00	23,925	38	31]
[25,000	2031	20	10,409.25	25,000]		
[25,000	2032	21	10,729.25	25,000]		
[25,000	2033	22	11,053.50	25,000]		
[25,000	2034	23	11,383.50	25,000]		
[25,000	2035	24	11,719.75	25,000]		
[25,000	2036	25	12,062.00	25,000]		
[25,000	2037	26	12,408.50	25,000]		
[25,000	2038	27	12,757.00	25,000]		
[25,000	2039	28	13,106.50	25,000]		
[25,000	2040	29	13,456.50	25,000]		
[25,000	2041	30	13,807.25	25,000]		
[25,000	2042	31	14,159.25	25,000]		
[25,000	2043	32	14,514.00	25,000]		
[25,000	2044	33	14,871.75	25,000]		
[25,000	2045	34	15,233.25	25,000]		
[25,000	2046	35	15,598.00	25,000]		
[25,000	2047	36	15,965.00	25,000]		
[25,000	2048	37	16,331.25	25,000]		
[25,000	2049	38	16,694.50	25,000]		
[25,000	2050	39	17,055.50	25,000]		
[25,000	2051	40	17,414.50	25,000]		

Continued on Next Page  
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S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -		-----Guaranteed Values-----			
On		End of	Cash	Paid up	Extended
Insured	[May 15],	Policy	Value	Insurance	Term Ins
		Year	Dollars	Dollars	Yrs Days
[25,000	2036	Age 60	12,062.00	25,000]	
[25,000	2038	Age 62	12,757.00	25,000]	
[25,000	2041	Age 65	13,807.25	25,000]	
[25,000	2046	Age 70	15,598.00	25,000]	

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

<i>SERFF Tracking Number:</i>	<i>STFL-126931804</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>47498</i>
<i>Company Tracking Number:</i>	<i>SFL11000</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>WLLP 11000</i>		
<i>Project Name/Number:</i>	<i>WLLP 11000/WLLP 11000</i>		

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
12/07/2010	Form	Limited Payment Whole Life Insurance Policy	12/22/2010	11000 WL CW 20101119 FINAL_complete.pdf (Superseded)
12/07/2010	Form	Limited Payment Whole Life Insurance Policy	12/22/2010	11002 WLLP CW 20101119 FINAL_complete.pdf (Superseded)
12/07/2010	Form	Limited Payment Whole Life Insurance Policy	12/22/2010	11003 WL PU @85 CW FINAL 20101129 _complete.pdf (Superseded)
12/07/2010	Form	Limited Payment Whole Life Insurance Policy	12/22/2010	11006 WL FE CW FINAL 20101129_complete.pdf (Superseded)
12/07/2010	Form	Limited Payment Whole Life Insurance Policy(UNISEX)	12/22/2010	11050 WL Unisex CW FINAL 20101124_complete.pdf (Superseded)



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured [JOHN J DOE]  
[(Male)]

Age [35]

Policy Number [LF-0000-0000]

Policy Date [May 15, 2011]

Basic Plan Amount [\$25,000]

Total Initial Amount [\$25,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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**The Application and any Riders and Endorsements follow page 12.**

# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$[25,000]]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$[25,000]]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11000	Basic Plan (Whole Life Paid-up at Age 100) Class of Risk: [Standard Male Non-tobacco]	[\$[25,000]]	With Life	[\$[436.75]]	To [2076]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$[436.75]]	[\$[223.62]]	[\$[113.12]]	[\$[38.00]]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[436.75] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days	
\$[25,000	2011]					
[25,000	2012	1	.00	0	0	0]
[25,000	2013	2	.00	0	0	0]
[25,000	2014	3	215.00	925	5	153]
[25,000	2015	4	496.25	2,025	10	56]
[25,000	2016	5	787.00	3,100	13	299]
[25,000	2017	6	1,086.50	4,125	16	123]
[25,000	2018	7	1,394.75	5,125	18	88]
[25,000	2019	8	1,711.75	6,075	19	247]
[25,000	2020	9	2,036.75	6,975	20	267]
[25,000	2021	10	2,370.00	7,850	21	200]
[25,000	2022	11	2,711.50	8,700	22	74]
[25,000	2023	12	3,061.75	9,500	22	269]
[25,000	2024	13	3,422.25	10,275	23	59]
[25,000	2025	14	3,794.50	11,050	23	170]
[25,000	2026	15	4,178.50	11,775	23	245]
[25,000	2027	16	4,573.50	12,475	23	292]
[25,000	2028	17	4,978.50	13,150	23	314]
[25,000	2029	18	5,392.75	13,800	23	314]
[25,000	2030	19	5,815.25	14,425	23	294]
[25,000	2031	20	6,245.00	15,000	23	255]
[25,000	2032	21	6,656.50	15,225	23	175]
[25,000	2033	22	7,073.25	16,000	23	81]
[25,000	2034	23	7,497.25	16,475	22	340]
[25,000	2035	24	7,929.75	16,925	22	224]
[25,000	2036	25	8,396.50	17,350	22	99]
[25,000	2037	26	8,814.75	17,775	21	332]
[25,000	2038	27	9,262.75	18,175	21	194]
[25,000	2039	28	9,712.00	18,550	21	49]
[25,000	2040	29	10,161.75	18,900	20	265]
[25,000	2041	30	10,612.50	19,225	20	110]
[25,000	2042	31	11,065.25	19,550	19	314]
[25,000	2043	32	11,521.00	19,850	19	152]
[25,000	2044	33	11,981.00	20,150	18	347]
[25,000	2045	34	12,445.50	20,450	18	181]
[25,000	2046	35	12,914.50	20,700	18	4]
[25,000	2047	36	13,386.50	20,975	17	200]
[25,000	2048	37	13,857.25	21,225	17	20]
[25,000	2049	38	14,324.00	21,475	16	213]
[25,000	2050	39	14,788.25	21,700	16	33]
[25,000	2051	40	15,250.00	21,900	15	227]

Continued on Next Page

SCHEDULE OF INSURANCE AND VALUES

Continued from Page 4

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy Year	Value Dollars	Insurance Dollars	Term Ins	Yrs Days
[25,000	2036	Age 60	8,369.50	17,350	22	99]
[25,000	2038	Age 62	9,262.75	18,175	21	194]
[25,000	2041	Age 65	10,612.50	19,225	20	110]
[25,000	2046	Age 70	12,914.50	20,700	18	4]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.



## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan. If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the date this Policy is reinstated, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan since the date of reinstatement less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.



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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[35]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2011]
Basic Plan Amount	[\$50,000]
Total Initial Amount	[\$50,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

*Edward B. Rust, Jr.*

President

*Kim M. Brunner*

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$100,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$100,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11002	Basic Plan (10 Pay Whole Life) Class of Risk: [Standard Male Non-tobacco]	[\$100,000]	With Life	[\$2,872.00]	To [2021]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$2,872.00]	[\$1,470.46]	[\$743.85]	[\$249.86]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[2,872.00] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
[\$100,000	2011]					
[100,000	2012	1	.00	0	0	0]
[100,000	2013	2	1,686.00	7,400	10	63]
[100,000	2014	3	4,799.00	20,200	20	279]
[100,000	2015	4	8,032.00	32,700	26	280]
[100,000	2016	5	11,391.00	44,700	31	33]
[100,000	2017	6	14,877.00	56,400	34	215]
[100,000	2018	7	18,497.00	67,800	37	226]
[100,000	2019	8	22,253.00	78,800	40	180]
[100,000	2020	9	26,151.00	89,600	43	336]
[100,000	2021	10	30,196.00	100,000]		
[100,000	2022	11	31,207.00	100,000]		
[100,000	2023	12	32,244.00	100,000]		
[100,000	2024	13	33,311.00	100,000]		
[100,000	2025	14	34,412.00	100,000]		
[100,000	2026	15	35,547.00	100,000]		
[100,000	2027	16	36,713.00	100,000]		
[100,000	2028	17	37,909.00	100,000]		
[100,000	2029	18	39,130.00	100,000]		
[100,000	2030	19	40,374.00	100,000]		
[100,000	2031	20	41,637.00	100,000]		
[100,000	2032	21	42,917.00	100,000]		
[100,000	2033	22	44,214.00	100,000]		
[100,000	2034	23	45,534.00	100,000]		
[100,000	2035	24	46,879.00	100,000]		
[100,000	2036	25	48,248.00	100,000]		
[100,000	2037	26	49,634.00	100,000]		
[100,000	2038	27	51,028.00	100,000]		
[100,000	2039	28	52,426.00	100,000]		
[100,000	2040	29	53,826.00	100,000]		
[100,000	2041	30	55,229.00	100,000]		
[100,000	2042	31	56,637.00	100,000]		
[100,000	2043	32	58,056.00	100,000]		
[100,000	2044	33	59,487.00	100,000]		
[100,000	2045	34	60,933.00	100,000]		
[100,000	2046	35	62,392.00	100,000]		
[100,000	2047	36	63,860.00	100,000]		
[100,000	2048	37	65,325.00	100,000]		
[100,000	2049	38	66,778.00	100,000]		
[100,000	2050	39	68,222.00	100,000]		
[100,000	2051	40	69,658.00	100,000]		

Continued on Next Page  
Page 4

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days
[100,000	2036	Age 60	48,248.00	100,000]	
[100,000	2038	Age 62	51,028.00	100,000]	
[100,000	2041	Age 65	55,229.00	100,000]	
[100,000	2046	Age 70	62,392.00	100,000]	

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.



## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan. If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the date this Policy is reinstated, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan since the date of reinstatement less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured [JOHN J DOE]

[Male]

Age [35]

Policy Number [LF0000-0000]

Policy Date [May 15, 2011]

Basic Plan Amount [\$10,000]

Total Initial Amount [\$10,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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**The Application and any Riders and Endorsements follow page 12.**

# P O L I C Y I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$10,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$10,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E O F B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11003	Basic Plan (Whole Life Paid-up at Age 85) Class of Risk: [Standard Male Non-tobacco]	[\$10,000]	With Life	[\$261.50]	To [2061]

## S C H E D U L E O F P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$261.50]	[\$133.89]	[\$67.73]	[\$22.75]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[261.50] will provide coverage to [May 15, 2012].

## A N N U A L D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
\$[10,000	2011]					
[10,000	2012	1	.00	0	0	0]
[10,000	2013	2	33.70	150	2	154]
[10,000	2014	3	141.80	600	8	95]
[10,000	2015	4	253.30	1,030	12	154]
[10,000	2016	5	368.50	1,450	15	182]
[10,000	2017	6	487.20	1,850	17	241]
[10,000	2018	7	609.40	2,240	19	123]
[10,000	2019	8	735.00	2,610	20	208]
[10,000	2020	9	863.90	2,960	21	180]
[10,000	2021	10	995.90	3,300	22	81]
[10,000	2022	11	1,131.20	3,630	22	296]
[10,000	2023	12	1,270.00	3,940	23	104]
[10,000	2024	13	1,412.80	4,250	23	236]
[10,000	2025	14	1,560.30	4,540	23	329]
[10,000	2026	15	1,712.40	4,820	24	24]
[10,000	2027	16	1,868.80	5,100	24	56]
[10,000	2028	17	2,029.30	5,360	24	66]
[10,000	2029	18	2,193.30	5,610	24	55]
[10,000	2030	19	2,360.70	5,850	24	25]
[10,000	2031	20	2,530.80	6,080	23	341]
[10,000	2032	21	2,698.10	6,290	23	263]
[10,000	2033	22	2,867.60	6,490	23	172]
[10,000	2034	23	3,040.30	6,680	23	69]
[10,000	2035	24	3,216.40	6,870	22	321]
[10,000	2036	25	3,395.70	7,040	22	201]
[10,000	2037	26	3,577.40	7,210	22	73]
[10,000	2038	27	3,760.40	7,370	21	305]
[10,000	2039	28	3,944.20	7,530	21	167]
[10,000	2040	29	4,128.60	7,680	21	21]
[10,000	2041	30	4,313.70	7,820	20	239]
[10,000	2042	31	4,499.90	7,950	20	86]
[10,000	2043	32	4,687.90	8,080	19	295]
[10,000	2044	33	4,878.00	8,210	19	139]
[10,000	2045	34	5,070.40	8,330	18	340]
[10,000	2046	35	5,265.30	8,440	18	184]
[10,000	2047	36	5,462.00	8,560	18	18]
[10,000	2048	37	5,659.20	8,670	17	228]
[10,000	2049	38	5,855.90	8,770	17	69]
[10,000	2050	39	6,052.70	8,880	16	281]
[10,000	2051	40	6,250.00	8,980	16	134]

Continued on Next Page

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----					
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs	Days
[10,000	2036	Age 60	3,395.70	7,040	22	201]
[10,000	2038	Age 62	3,760.40	7,370	21	305]
[10,000	2041	Age 65	4,313.70	7,820	20	239]
[10,000	2046	Age 70	5,265.30	8,440	18	184]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.



## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan. If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the date this Policy is reinstated, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan since the date of reinstatement less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.





## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[55]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2011]
Basic Plan Amount	[\$10,000]
Total Initial Amount	[\$10,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

President

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.

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# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE] [(Male)]	Age	[55]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$10,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$10,000]
Issue Date	[May 15, 2011]		
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11006	Basic Plan (Whole Life Paid-up at Age 100) Class of Risk: [Male Non-tobacco]	[\$10,000]	With Life	[\$478.10]	To [2056]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Monthly
[May 15, 2011]	[\$478.10]	[\$41.60]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00 and for the monthly premium is \$4.35.

Initial payment of \$[478.10] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----		
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars
\$[10,000	2011]			
[10,000	2012	1	.00	0]
[10,000	2013	2	28.40	70]
[10,000	2014	3	267.60	590]
[10,000	2015	4	511.50	1,100]
[10,000	2016	5	759.80	1,580]
[10,000	2017	6	1,011.20	2,040]
[10,000	2018	7	1,264.40	2,480]
[10,000	2019	8	1,518.50	2,900]
[10,000	2020	9	1,773.20	3,300]
[10,000	2021	10	2,028.80	3,680]
[10,000	2022	11	2,285.70	4,040]
[10,000	2023	12	2,544.80	4,390]
[10,000	2024	13	2,806.60	4,720]
[10,000	2025	14	3,071.40	5,050]
[10,000	2026	15	3,339.20	5,360]
[10,000	2027	16	3,609.20	5,660]
[10,000	2028	17	3,879.30	5,940]
[10,000	2029	18	4,148.20	6,220]
[10,000	2030	19	4,416.60	6,480]
[10,000	2031	20	4,684.80	6,730]
[10,000	2032	21	4,935.10	6,950]
[10,000	2033	22	5,183.00	7,150]
[10,000	2034	23	5,426.90	7,350]
[10,000	2035	24	5,665.00	7,530]
[10,000	2036	25	5,896.40	7,710]
[10,000	2037	26	6,120.10	7,870]
[10,000	2038	27	6,335.80	8,020]
[10,000	2039	28	6,544.60	8,160]
[10,000	2040	29	6,746.10	8,290]
[10,000	2041	30	6,939.40	8,420]
[10,000	2042	31	7,123.20	8,530]
[10,000	2043	32	7,296.40	8,640]
[10,000	2044	33	7,458.50	8,730]
[10,000	2045	34	7,609.40	8,820]
[10,000	2046	35	7,749.40	8,900]
[10,000	2047	36	7,880.80	8,980]
[10,000	2048	37	8,007.00	9,050]
[10,000	2049	38	8,128.90	9,130]
[10,000	2050	39	8,247.80	9,200]
[10,000	2051	40	8,365.30	9,270]

Continued on Next Page

SCHEDULE OF INSURANCE AND VALUES

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----			
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars
[10,000	2016	Age 60	759.80	1,580]
[10,000	2018	Age 62	1,264.40	2,480]
[10,000	2021	Age 65	2,028.80	3,680]
[10,000	2026	Age 70	3,339.20	5,360]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age or Sex.** If the Insured's date of birth or sex is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age and sex. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan. If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the date this Policy is reinstated, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan since the date of reinstatement less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.



## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.

## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's sex and attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's sex and attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Paid-up Insurance at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's sex and attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday and sex. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



## STATE FARM LIFE INSURANCE COMPANY

One State Farm Plaza, Bloomington, Illinois 61710

Insured	[JOHN J DOE]
	[(Male)]
Age	[35]
Policy Number	[LF-0000-0000]
Policy Date	[May 15, 2010]
Basic Plan Amount	[\$25,000]
Total Initial Amount	[\$25,000]

This Policy is based on the Application and the payment of premiums to the Policy Anniversary shown under the heading Premiums Payable on page 3 while the Insured lives. State Farm Life Insurance Company will pay the Proceeds to the Beneficiary when due proof of the Insured's death is received.

**30-Day Right to Examine this Policy.** This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. However, if You indicated on the Application for this Policy it will replace a life insurance or annuity policy, a longer period may be required by law in the state in which this Policy is delivered. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

**Read this Policy with care.** This is a legal contract between You and State Farm Life Insurance Company.

*Edward B. Rust, Jr.*

President

*Kim M. Brunner*

Secretary

**SAMPLE**

### BASIC PLAN DESCRIPTION

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.



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**The Application and any Riders and Endorsements follow page 12.**

# P O L I C Y   I D E N T I F I C A T I O N

Insured	[JOHN J DOE]	Age	[35]
Policy Number	[LF-0000-0000]	Basic Plan Amount	[\$25,000]
Policy Date	[May 15, 2011]	Total Initial Amount	[\$25,000]
Issue Date	[May 15, 2011]	Policy Class	[1]
Owner	[JANE A DOE]		

## S C H E D U L E   O F   B E N E F I T S

Form	Description	Initial Amount	Benefit Period Ends	Annual Premium	Premiums Payable
11050	Basic Plan (Whole Life Paid-up at Age 100) Class of Risk: [Standard Non-tobacco]	[\$25,000]	With Life	[\$423.25]	To [2076]

## S C H E D U L E   O F   P R E M I U M S

Beginning	Annual	Semi-Annual	Quarterly	Monthly
[May 15, 2011]	[\$423.25]	[\$216.71]	[\$109.62]	[\$36.82]

If the premium paid is not the annual premium, the total amount of premium due each year is greater than the annual premium. Premiums other than the annual premium are increased to reflect the time value of money. Monthly premiums must be paid under one of the monthly payment plans made available. The premiums shown above include a policy fee. The policy fee for the annual premium is \$50.00, for the semi-annual premium is \$25.60, for the quarterly premium is \$12.95, and for the monthly premium is \$4.35.

Initial payment of \$[423.25] will provide coverage to [May 15, 2012].

## A N N U A L   D I V I D E N D S

This Policy is eligible for annual dividends, but dividends are not guaranteed. The minimum Dividend Accumulation interest rate is [1%] per year. See the Dividend Provisions on page 9.

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

- Insurance Amount -		-----Guaranteed Values-----				
On		End of	Cash	Paid up	Extended	
Insured	[May 15],	Policy	Value	Insurance	Term Ins	
		Year	Dollars	Dollars	Yrs	Days
\$[25,000	2011]					
[25,000	2012	1	.00	0	0	0]
[25,000	2013	2	00.00	0	0	0]
[25,000	2014	3	202.50	875	5	129]
[25,000	2015	4	476.00	2,000	10	88]
[25,000	2016	5	758.25	3,050	13	330]
[25,000	2017	6	1,049.75	4,075	16	153]
[25,000	2018	7	1,350.00	5,075	18	121]
[25,000	2019	8	1,658.75	6,025	19	288]
[25,000	2020	9	1,975.50	6,925	20	322]
[25,000	2021	10	2,300.75	7,800	21	269]
[25,000	2022	11	2,634.00	8,650	22	157]
[25,000	2023	12	2,976.00	9,450	23	1]
[25,000	2024	13	3,328.00	10,225	23	163]
[25,000	2025	14	3,691.00	10,975	23	283]
[25,000	2026	15	4,064.75	11,700	24	2]
[25,000	2027	16	4,449.00	12,400	24	56]
[25,000	2028	17	4,842.25	13,075	24	85]
[25,000	2029	18	5,244.75	13,725	24	92]
[25,000	2030	19	5,655.00	14,350	24	77]
[25,000	2031	20	6,072.25	14,925	24	44]
[25,000	2032	21	6,471.25	15,450	23	333]
[25,000	2033	22	6,875.75	15,925	23	244]
[25,000	2034	23	7,287.00	16,375	23	143]
[25,000	2035	24	7,706.00	16,825	23	31]
[25,000	2036	25	8,132.25	17,250	22	276]
[25,000	2037	26	8,563.75	17,675	22	148]
[25,000	2038	27	8,999.00	18,050	22	12]
[25,000	2039	28	9,436.00	18,425	21	238]
[25,000	2040	29	9,875.00	18,775	21	91]
[25,000	2041	30	10,315.50	19,125	20	304]
[25,000	2042	31	10,758.50	19,450	20	150]
[25,000	2043	32	11,205.00	19,750	19	352]
[25,000	2044	33	11,655.75	20,050	19	192]
[25,000	2045	34	12,111.00	20,325	19	22]
[25,000	2046	35	12,570.50	20,600	18	222]
[25,000	2047	36	13,032.50	20,875	18	49]
[25,000	2048	37	13,493.75	21,125	17	245]
[25,000	2049	38	13,952.00	21,350	17	72]
[25,000	2050	39	14,407.75	21,575	16	268]
[25,000	2051	40	14,861.50	21,800	16	100]

Continued on Next Page  
Page 4

S C H E D U L E   O F   I N S U R A N C E   A N D   V A L U E S

Continued from Page 4

- Insurance Amount -	-----Guaranteed Values-----				
On Insured	[May 15],	End of Policy Year	Cash Value Dollars	Paid up Insurance Dollars	Extended Term Ins Yrs Days
[25,000	2036	Age 60	8,132.25	17,250	22 276]
[25,000	2038	Age 62	8,999.00	18,050	22 12]
[25,000	2041	Age 65	10,315.50	19,125	20 304]
[25,000	2046	Age 70	12,570.50	20,600	18 222]

Guaranteed values at the end of any Policy Year presume payment of all specified premiums to the end of such Policy Year. The interest rate for guaranteed values and single premiums is 4.0% a year. The mortality table used is the Commissioners 2001 Standard Ordinary (80) Composite Ultimate Mortality Table.

## DEFINITIONS

**We, Us, and Our** refer to State Farm Life Insurance Company.

**You and Your** refer to the Owner.

**Application.** Includes any life insurance application, medical history, questionnaire, and other documents from You or any other person proposed for insurance which are made a part of this Policy.

**Basic Plan Amount.** The amount of insurance on the Insured provided by the Basic Plan shown on pages 1 and 3.

**Benefit Period Ends.** The coverage for the benefit extends to, but does not include, the Policy Anniversary in the year shown on page 3 under this heading.

**Cash Value.** Sum of the Cash Values provided by the Basic Plan and any Riders.

**Cash Surrender Value.** Cash Value plus the Cash Value of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest.

**Class of Risk.** The underwriting class of the person insured.

**Code.** The U.S. Internal Revenue Code, as amended from time to time.

**Dividend Credits.** Any Dividend Accumulation or any current dividend under Dividend Option 1 or 3.

**Dollars.** Any money We pay, or which is paid to Us, must be in United States dollars.

**Effective Date.** Coverage starts on this date.

**Initial Amount.** The amount of coverage on the Effective Date of each benefit shown on page 3 under this heading.

**Initial Payment.** The amount shown on page 3 You must pay before this Policy becomes effective.

**Insurance Amount.** The amount of life insurance provided by the Basic Plan and any Rider on the Policy Anniversary Dates shown on page 4 under this heading.

**Issue Date.** The date this Policy is issued shown on page 3.

**Officer.** The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

**Payee.** On the Insured's death, the Beneficiaries shown in the Application, unless changed. If You surrender this Policy while the Insured is alive, the persons that You have named to receive the Cash Surrender Value. A Payee can be other than a natural person only if We agree.

**Policy Class.** The classification of the Basic Plan shown on page 3 used to determine eligibility for Extended Term or Paid-up Insurance if this Policy lapses.

**Policy Date.** The Effective Date of this Policy shown on pages 1 and 3.

**Policy Month, Year, or Anniversary.** A policy month, year, or anniversary is measured from the Policy Date.

## DEFINITIONS (CONTINUED)

**Premiums Payable.** Premiums are payable until the Policy Anniversary shown on page 3 under this heading.

**Proceeds.** The sum of the insurance amounts payable under

- (1) the Basic Plan,
- (2) any Paid-up Additions, and
- (3) any Rider on the Insured

plus any Dividend Credits, any dividend payable at the Insured's death, and any premium paid for part of the Payment Period beyond the Insured's date of death less any Loan, any accrued Loan Interest, and any part of a premium due.

**Request.** A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

**Rider.** Any benefit, other than the Basic Plan, made a part of this Policy.

**Successor Owner.** May be named in the Application or later by Request.

**Total Initial Amount.** The amount of life insurance on the Insured provided by the Basic Plan and any Rider on the Policy Date shown on pages 1 and 3.

## GENERAL PROVISIONS

**The Contract.** This Policy contains the Basic Plan, any amendments, any endorsements, any Riders, and a copy of the Application. This Policy is the entire contract. We have relied on the statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, and Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as a life insurance contract under any section of, regulation or ruling under, the Code as amended from time to time. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform to such law.

**Transaction Delay.** Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date We receive Your Request. However, a Loan to pay a premium on other policies with Us will not be deferred.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at 2% per year or the interest rate and time required by law, if greater.

## GENERAL PROVISIONS (CONTINUED)

**Cash Surrender.** You may surrender this Policy at any time by Request. All coverage ceases on the date We receive the Request or later date if You so indicate in Your Request. We will pay You the Cash Surrender Value as of the date coverage ceases plus any premium paid for the Payment Period beyond that date. We may defer paying You the Cash Surrender Value for up to 6 months after receiving Your Request.

**Assignment.** You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

**Error in Age.** If the Insured's date of birth is not as stated in the Application, We will adjust each benefit on the Insured to that which the premium paid would have bought at the correct age. Such adjustment will be based on the premium rates in effect on the issue date of the benefit.

**Incontestability.** Except for nonpayment of premiums, We will not contest the Basic Plan after it has been in force during the Insured's lifetime for 2 years from the Policy Date. Except for nonpayment of premiums, We will not contest any reinstatement after it has been in force during the lifetime of the Insured for 2 years from the Effective Date of the reinstatement. Any contest will be based on statements made in the Application that are material to the risk or the hazard assumed by Us.

Each Rider has its own incontestability provision.

**Limited Death Benefit.** If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the Policy Date, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan. If the Insured dies by suicide while sane or self-destruction while insane within 2 years from the date this Policy is reinstated, the Basic Plan Amount will not be paid. The Proceeds in this case will be limited to the premiums paid on the Basic Plan since the date of reinstatement less any Loan, accrued Loan Interest, and any dividends paid on the Basic Plan.

Each Rider has its own limited death benefit provision.

## OWNERSHIP PROVISIONS

**Owner.** The Owner is as named in the Application, unless changed. You may exercise any policy provision only by Request and while the Insured is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably designated Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force.

**Change of Owner/Successor Owner.** You may change the Owner or Successor Owner by Request while the Insured is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

## PREMIUM PROVISIONS

**Payment of Premiums.** You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one.

The first premium is due on the Policy Date. All other premiums are payable on or before their Due Dates. A Due Date is the first day of each Payment Period. A Payment Period may be 1 month, 3 months, 6 months, or 12 months, starting on the same date of the month as the Policy Date. If the Payment Period is 1 month, the monthly premium is due at the start of each 1-month Payment Period. If the Payment Period is 3 months, the quarterly premium is due at the start of each 3-month Payment Period. If the Payment Period is 6 months, the semi-annual premium is due at the start of each 6-month Payment Period. If the Payment Period is 12 months, the annual premium is due at the start of each 12-month Payment Period. If the Due Date does not appear in a calendar month's days, the Due Date will be the last day of that same month. You may change the Payment Period on any Due Date by paying the premium for the new period, but You cannot change the Payment Period if premiums are being waived.

**Grace Period.** Except for the first premium, 31 days are allowed for the payment of a premium after its Due Date. During this time, the policy benefits continue.

**Nonpayment of Premium.** If any premium has not been paid by the end of its Grace Period, the Accumulations to Avoid Lapse and, if chosen, the Automatic Premium Loan provisions will apply. If neither of these provisions apply, this Policy will lapse as of the Due Date of any unpaid premium. With such lapse, coverage ceases unless continued as Extended Term or Paid-up Insurance.

**Accumulations to Avoid Lapse.** If any premium has not been paid by the end of its Grace Period, any Dividend Accumulation will be used to pay all or part of that premium. The unpaid balance of that premium will be due the day after the end of the partial Payment Period. A new Grace Period will be allowed for the payment of this unpaid balance.

We will send You a notice if any Dividend Accumulation is used to pay part of any premium. We will not use any Dividend Accumulation if You choose an available Guaranteed Values Provision within 90 days after the premium Due Date. Your choice will take effect as of the premium Due Date.

**Automatic Premium Loan.** This provision will apply if You chose it on the Application or later by Request. This provision will apply if there is enough Loan Value less any existing Loan and accrued Loan Interest to pay the unpaid premium for the current Payment Period and there are no available Dividend Accumulations. Any premium or part of any premium that is not paid by the end of its Grace Period will be paid by Loan. Loan Interest will be charged from the Due Date of the unpaid premium. You may cancel this provision at any time by Request. We must receive Your Request to elect or cancel this provision before this Policy lapses.



## PREMIUM PROVISIONS (CONTINUED)

**Reinstatement.** If You have not surrendered this Policy for cash, You may apply to reinstate it within 5 years after lapse. You must give Us proof of the Insured's insurability that is satisfactory to Us. You must pay all unpaid premiums with compound interest from their Due Dates. The interest rate is 6% a year. You must repay or restore any Loan at the time of lapse with compound interest, based on the Loan Interest Rates in effect during the period of lapse, to the date of reinstatement. The amount restored cannot be greater than the Loan Value on the date of reinstatement. Reinstatement will take effect on the date We approve the Insured's insurability.

**Premium Adjustment When the Insured Dies.** If the Insured dies during a Grace Period, any part of a premium due will be paid from the Proceeds. Any premium paid for the Payment Period beyond the Insured's death will be part of the Proceeds.

## DIVIDEND PROVISIONS

**Annual Dividends.** We may apportion and pay dividends each year. Any such dividends will be paid only at the end of a Policy Year. There is no right to a partial or prorated dividend prior to the end of a Policy Year. Such dividends will not be paid if all premiums due have not been paid or if the Basic Plan is in force as Extended Term Insurance.

**Dividend Options.** You may choose to have Your dividend used under one of these options:

1. **Premium Payment.** We will apply it toward payment of a premium then due.
2. **Paid-up Additions.** We will use it to buy a paid-up life insurance addition to the Basic Plan. Each addition is bought at the single premium rate for the Insured's attained age at that time. We may also pay an annual dividend on these Paid-up Additions. You may surrender Paid-up Additions for their Cash Value at any time. The Cash Value of Paid-up Additions is based on the single premium rate for the Insured's attained age on the date surrendered. If surrendered prior to the end of the Policy Year, there is no right to a partial or prorated dividend. Paid-up Additions in force at the Insured's death will be part of the Proceeds.
3. **Dividend Accumulation.** We will hold it at interest. We will credit interest at a rate not less than the interest rate shown on page 3. Such interest will be paid only at the end of the Policy Year. You may withdraw all or part of the Dividend Accumulation at any time. If withdrawn prior to the end of the Policy Year, there is no right to a partial or prorated credit of such interest. The Dividend Accumulation plus interest to the Insured's death will be part of the Proceeds.
4. **Cash.** We will pay it to You in cash.

If You do not choose a Dividend Option on the Application or the Dividend Option chosen is not available, We will use Dividend Option 2. You may change the Dividend Option by Request. The change will apply only to dividends paid after We receive Your Request.

**Dividend When the Insured Dies.** We may pay a dividend when the Insured dies. Such dividend will be a partial or prorated amount based on the period from the start of a Policy Year to the Insured's death.

## GUARANTEED VALUES PROVISIONS

**Guaranteed Values.** The Guaranteed Values shown on page 4 are based on Your payment of all premiums when they are due. These values are as of the end of the Policy Years shown. They do not include the Cash Value of any Paid-up Additions and will be adjusted for any Dividend Credits or Loan on this Policy. If requested, We will furnish You with any values not shown.

**Cash Value.** The Cash Value is the sum of the Cash Value of the Basic Plan and any Riders. Any Cash Values on the Basic Plan not shown on page 4 will be calculated as specified in the Basis of Computation provision. The Cash Value will be based on the date to which premiums have been paid. If any amount of premium is due and not paid, the Cash Value for the 90 days after that Due Date is the same as on such Due Date. The Cash Value on any date between Policy Anniversaries is determined by interpolating between the Cash Value on the Policy Anniversary immediately before and after that date for the time period from the previous Policy Anniversary to that date plus any premium paid for the Payment Period beyond that date.

If the Basic Plan has been in force for more than 90 days as Extended Term or Paid-up Insurance, the Cash Value is the single premium for the insurance remaining. The Cash Value of such insurance will not decrease during the 31 days after a Policy Anniversary.

**Extended Term and Paid-up Insurance.** If this Policy lapses and there is a Cash Surrender Value, We will continue the Basic Plan as Extended Term or Paid-up Insurance. Extended Term Insurance is available only if this Policy is in Policy Class 1 or 2. Extended Term Insurance will be used at the time of lapse unless You choose to continue this Policy as Paid-up Insurance or surrender this Policy. If this Policy is in Policy Class 3, Paid-up Insurance will be used at the time of lapse unless You surrender this Policy.

You may choose by Request to have the Basic Plan continued as Paid-up Insurance or, if this Policy is not in Policy Class 3, as Extended Term Insurance. To be effective on the Due Date of any unpaid premium, Your Request must be received by Us within 90 days after that date.

The amount of Extended Term Insurance will be the Basic Plan Amount plus the amount of any Paid-up Additions plus any Dividend Credits less any Loan and accrued Loan Interest. The amount will stay level. The extended term period will be determined by applying the Cash Surrender Value as a single premium at the Insured's attained age on the Due Date of any unpaid premium. If there is more value than needed to provide Extended Term Insurance for life, We will promptly pay You the excess in one sum. Extended Term Insurance has no Loan Value and will receive no dividends.

The amount of Paid-up Insurance will be determined by applying the Cash Value plus the Cash Value of any Paid-up Additions less any Loan and accrued Loan Interest as a single premium at the Insured's attained age on the Due Date of any unpaid premium. The amount will stay level. Paid-up Insurance has Loan Value and may be eligible for dividends. Any Dividend Accumulation at the time this Policy is continued as Paid-up Insurance will not be affected.

**Basis of Computation.** The Guaranteed Values in this Policy are at least as large as those required by law in the state where it is delivered. The insurance authority there has a statement of how these values are determined.

The Guaranteed Values and single premiums are based on the Insured's age last birthday. It is assumed that premiums are paid continuously and claims are paid immediately. The interest rate is shown on page 4. For Guaranteed Values and single premiums, the mortality tables that We use are shown on page 4. The Cash Values for the Basic Plan for Policy Anniversaries not shown on page 4 are equal to the reserves which are calculated using the Commissioners Reserve Valuation Method.

## POLICY LOAN PROVISIONS

**Loan.** You may borrow against this Policy by Request at any time, unless the Basic Plan is in force as Extended Term Insurance. This Policy is the sole security for such Loan. We may defer a Loan for up to 6 months after receiving Your Request unless the Loan will be used to pay premiums on this or other policies with Us.

You may borrow the Loan Value less any existing Loan, accrued Loan Interest, and unpaid premiums. If Your unpaid Loan plus accrued Loan Interest exceeds the Cash Value of this Policy plus the Cash Value of any Paid-up Additions, We will send You a policy termination notice. This Policy will terminate 31 days after We have mailed that notice to You and to any assignee of record. If this occurs and is the result of a change in the Loan Interest Rate, this Policy will terminate at the later of the end of the Policy Year or 31 days after mailing of the notice. At policy termination, We will then pay You any Dividend Accumulation.

**Loan Value.** The Loan Value is the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary less any unpaid premiums for the current Policy Year discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan. If premiums are no longer payable, the Loan Value will be the Cash Value of this Policy and the Cash Value of any Paid-up Additions on the next Policy Anniversary discounted at the Loan Interest Rate from that Policy Anniversary to the date of the Loan.

**Loan Interest Rate.** The Loan Interest Rate is an adjustable rate. We determine the rate each calendar quarter. Such rate will take effect the first day of January, April, July, and October after the date We determine it. Such rate will apply to any new and existing Loan under this Policy.

Any change in the rate will be subject to the following:

- (1) The rate will be lowered to be equal to or less than the legal maximum rate if such legal maximum is  $\frac{1}{2}\%$  or more a year lower than Our rate then in effect.
- (2) The rate may be increased by at least  $\frac{1}{2}\%$  a year if the legal maximum is  $\frac{1}{2}\%$  or more a year higher than Our rate then in effect. Such rate cannot exceed the legal maximum.

The legal maximum interest rate is the greater of:

- (1) the Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Service, Inc. for the calendar month ending 2 months prior to the date the Loan Interest Rate is to go into effect, or
- (2) the interest rate used to calculate Cash Values under this Policy during the period for which the Loan Interest Rate is being determined plus 1% a year.

If the Moody's Corporate Bond Yield Average - Monthly Average Corporates is no longer published, the rate used in its place will be set by law or regulation of the insurance supervisory official in the jurisdiction where this Policy was delivered.

We will:

- (1) notify You of the initial Loan Interest Rate at the time a Loan is made, unless it is an Automatic Premium Loan;
- (2) notify You of the initial Loan Interest Rate as soon as practical after an Automatic Premium Loan is made; and
- (3) give You advance notice of any increase in the Loan Interest Rate, if You have a Loan at that time.

We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

**Loan Repayment.** You may repay all or part of a Loan at any time before the Insured dies or this Policy is surrendered. Any Loan that We deducted when the Basic Plan was placed on Extended Term or Paid-up Insurance may be repaid or restored only if the Basic Plan is reinstated.

## PAYMENT OF BENEFITS PROVISIONS

**Beneficiary Designation.** This is as shown in the Application, unless You have made a change by Request. It includes the name of the Beneficiary. If You name “estate” as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name “children” of a person as a Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

**Change of Beneficiary Designation.** You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date Your Request is signed, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

**Order of Payment on the Insured’s Death.** When the Insured dies, We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

**Methods of Payment.** We will pay the Proceeds or the Cash Surrender Value under the One Sum Method unless You choose another method then available. If the Payee is other than a natural person, We will make payment under the One Sum Method.

All payment intervals are measured from the date this Policy is surrendered or from the date the Insured dies.

After the Insured’s death, a Payee who has the right to make a withdrawal may change the method of payment. This Payee may also appoint a successor payee. The successor payee may be the Payee’s estate.

We must receive a Request for payment of the Proceeds and due proof of the Insured’s death. Due proof of the Insured’s death is evidence satisfactory to Us:

- (1) to establish the date and fact of the Insured’s death;
- (2) to permit Us to determine whether Proceeds are payable; and
- (3) such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

**Method 1 (One Sum Method).** We will pay the Cash Surrender Value or the Proceeds in one sum. Interest will be paid from the date of the Insured’s death to the date of payment. The interest rate will be the greater of 2% a year or the interest rate required by law, if applicable.

**Method 2 (Other Method).** Payment by any other method may be made if We agree.

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**BASIC PLAN DESCRIPTION**

Whole life insurance with premiums payable to the Policy Anniversary shown under Premiums Payable on page 3 while the Insured is alive. Insurance is payable when the Insured dies. The Basic Plan is eligible for Annual Dividends.